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SATURDAY NIGHT

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THE CANADIAN ILLUSTRATED WEEKLY

Germany's Decay

See articles on pages 6 and 36.

—Photo by Karsh, Ottawa

Vice Admiral Percy W. Nelles, Chief of Staff, Royal Canadian Navy. The senior officer since 1938 and a "career" sailor, today he commands nearly 50,000 officers and ratings.

The Front Page

WE WERE inclined last week to view with some tolerance the proposal, then being advanced in the United States, that the Ruml or Pay-as-you-go tax plan should be applied to incomes below a certain level only. Since hearing Mr. Ruml on the general question we have entirely given up that tolerance. If applied over the whole area of personal income tax—the corporation income tax is an entirely separate matter and is not an income tax but a profits tax—the Ruml Plan is a logical and consistent application of a set of sound principles. To throw away one principle, that of uniformity, wrecks the whole set. Principles are like stones in an arch, they only hold one-another up when they are all in place. Take away the principle of uniformity and you have nothing left but a piece of political expediency, a remission of taxes to a part of the taxpayers for no other reason than that their taxes are not very heavy anyhow and their votes are powerful.

The taxes on last year's income which, under this emasculated Plan, would be left as a debt to be paid by all above the remission limit would stand to be collected over a long term of years, for not even the most remorseless taxing authority would dare to collect *two* years' taxes (at rates of 50 per cent and more *each*) in a single year. Owing to the total lack of any moral principle in the fixing of the remission limit, there would throughout these years be constant lobbying to get the limit increased and to make the terms of payment more favorable—than which we can imagine no more demoralizing factor in political life. Mr. Ruml described a very effective method for dealing with "windfall" incomes—incomes which by accident happen to be much higher in the omitted year than in the adjacent years,—and with such incomes taxed on their windfall element there remains no reason why the omitted year should not be simply blotted out of the government's calendar. In Canada it is only eight months anyhow, for we caught up four months when we instituted our instalment collection system.

Political Strikes

THE steel strike which was started last week was of course entirely illegal, and if the Dominion Government had an enforceable labor policy it could easily be prevented. Unfortunately the Government has no such policy, and has long since given up trying to enforce the policy it had—which was simply that of preventing all wage increases for fear of the inflationary spiral.

Several elements of high labor politics enter into the situation which are not frankly set forth in the pleadings. The C.I.O., which is a good deal more politics-conscious than the A.F. of L., wants to get the Government to admit that steel is a national and not a regional industry. If it can establish that contention it will be able to level up the wages in the cheap-labor provinces, which will greatly ease its task of getting itself strongly established in Quebec. The A.F. of L. has no objection to this proceeding but is not quite so energetic in campaigning. The common enemy of both internationals is the Syndicates or Catholic Unions, which neither have nor desire any affiliation with an outside body.

The Catholic religious authorities, or at least a powerful element among them, are already distinctly critical of both the Federal Government and many of the big Quebec corporations for what they term undue favoritism towards the internationals. "It is hard to understand," says the Rev. Omer Genest of the Jesuit Order in last month's *Relations* (we translate), "the support which the international receives from certain public functionaries. True, they were active members before their appointment to office; but their present partiality is unworthy of their position. Does the Minister who tolerates them make himself responsible for their conduct?"

Father Genest goes on to accuse the Dominion Minister of Labor (the same whose head both the internationals have demanded on a charger!) of delaying the appointment of commissions of inquiry so as to allow minority leaders among the workers, favorable to the international, to get themselves named as bargaining agents. Throughout the articles in *Relations* on this subject, by several different pens, there occurs repeatedly the suggestion, which we suspect will be very astonishing to most of our readers, that the employing corporations are hostile to the Catholic Syndicates and do all in their power to promote the particular international proper to their industry, and even that the international unions, having by reason of this patronage "become mere shop unions, submissive to the companies which have established and now dominate them, no longer deserve the confidence of the workers." This, of course, is exactly what the internationals used to say, and probably still say, of the Catholic Syndicates. To be friendly with the employer is evidently just as fatal to a labor leader in Quebec as anywhere else.

The War Measures Act will come to an end with, or not long after, the coming of peace. With it will go all the emergency powers of the Dominion in the field of property and civil rights, which includes labor. Any international union that can get hold of its particular industries in Quebec during the federal regime may be able to hang on afterwards. Any international union that doesn't may have to write Quebec off. Here is the reason for a good deal of the present agitation; and here is one reason why, whatever becomes of Mr. Mitchell, the internationals are not likely to get a Minister of Labor who will do *all* their bidding.

That the strike was called ostensibly on the question of wages should not mislead the careful observer. The settlement, which will probably occur between the time when these lines are written and the time when they are read, will quite possibly make only a minor concession to the men's demands on that subject. Labor leaders have to make demands about wages in order to get a strike going; the rank and file are not interested in high labor politics. But the real purpose of the strike was something much more important, and on that something we predict that the strikers will win. We do not think the leaders really want to smash up the price control system, and we shall not be surprised if after the squabble is over they even call their dogs off from Mr. Mitchell and decide that he is not such a bad fellow after all.

The Banting Pictures

THERE are still a number of owners of paintings by the late Sir Frederick Banting who have not been heard from in connection with the loan exhibition of his works which is to be held at Hart House, University of Toronto, next month. It is most desirable that this exhibition should be as complete as possible, and such owners are requested to communicate with the Acting Warden, Mr. J. R. Gilley. Even if there are obstacles in the way of actually lending the pictures, the committee in charge are anxious to receive information about them, as one of the objects is to compile a complete catalogue of all Sir Frederick's sketches and paintings. Pictures loaned will be transported and insured at the expense of Hart House.

Personnel Selection

THE modern army needs modern ideas neither more nor less than it needs modern equipment; indeed they go together, and nobody knows it better than the experienced soldier. One of the most modern and most necessary ideas (and one which was early and ably developed by our enemy) is that of personnel selection, which was described by Colonel Line, Director of that branch of army work, to the Royal Canadian Institute last week. Personnel selection, using the machinery of psychology in the form of aptitude tests, subjects soldiers in the Canadian Army to measurement, analysis and classification, and allocates them where they will be most readily trained for the different tasks involved in the overthrow of the enemy.

But this is far from being all that personnel selection does in Canada. It has been realized here as in other free nations that true military efficiency is possible only where there is a high group morale plus an intense sense of self-realization in the individual. It is through the constant adjustment of the soldier, both as a technical unit and as a human being, that science and humanity working together are creating an army that will save both humanity and science.

The free nations are not fighting against scientific organization of society. They are fighting against a scientific organization in which science, viewed as an agency of the State, is the god, and the human individual is no more than a slave. Personnel selection as operated in Canada reverses this order; it uses scientific organization to enhance the value,

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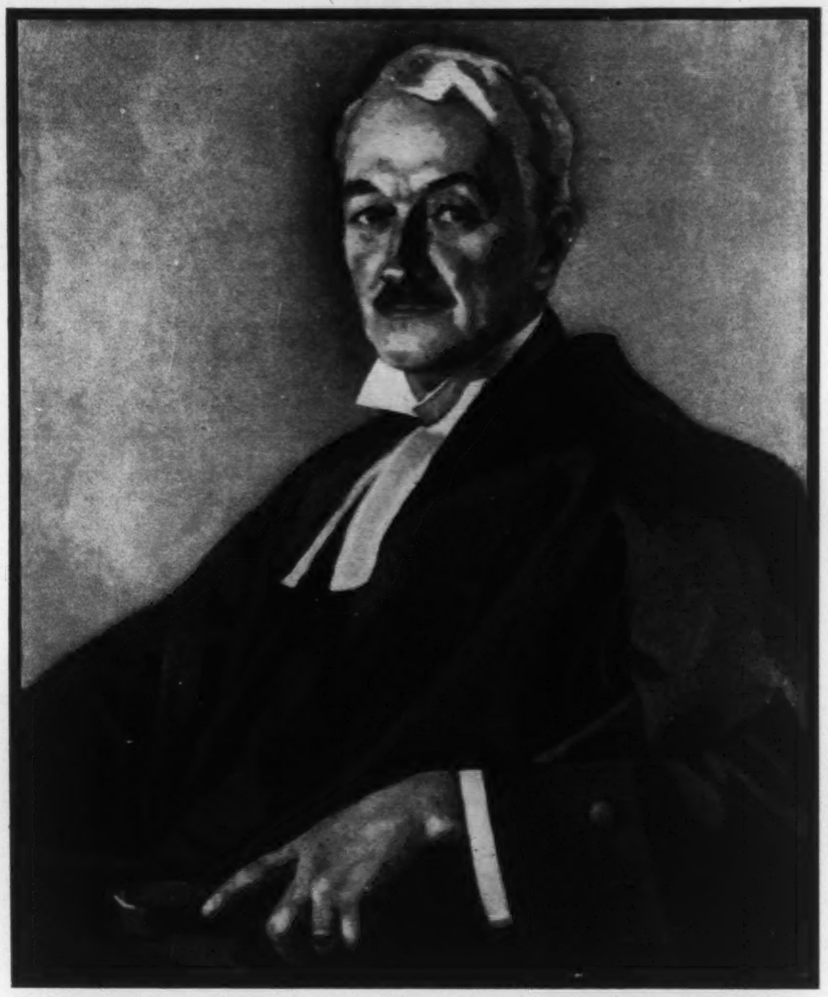

Warwick Fielding Chipman, K.C., D.C.L., last year's Batonnier of the Bar of the province of Quebec, will leave Canada shortly to take up his duties as Minister of Canada to the Republic of Chile. A brilliant lawyer, and President of the League of Nations Society of Canada, he is also an accomplished poet with several volumes of verse to his credit, and proposes to devote no small part of his time to translating the poetry of Spanish America. This portrait of him is by the Montreal portrait painter, Lilias Torrance Newton.

"Bomb Alley"

BY R. L. HADFIELD

THE Sicilian Strait has probably seen more intensive bombing than any other stretch of sea figuring in the world war, the English Channel not excepted. Our convoys to Malta knew what to expect when passing between Sicily and the coast of Tunisia; now Axis ships and planes taking supplies and reinforcements to North Africa are having a taste of their own medicine. Hitherto that passageway between the eastern and western basins of the Mediterranean has had no special, distinctive name. It has one now. To sailors and airmen it is "Bomb Alley."

Off the south coast of Sicily and between it and the island of Pantellaria lies Graham's Shoal where the water shallows to about 15 feet. On June 28th, 1831, Captain Swinburne was sailing over the spot in a comfortable depth of water when his ship was violently thrown about and waves of great size rose out of the sea. Captain Swinburne recognized the phenomenon for what it was—submarine earthquake—and he and his crew are probably the only seamen ever to have been actually on the spot when such a convulsion of nature took place. In fact their ship was directly over the crater of a submarine volcano. The upheaval continued; and a few weeks later land appeared above the surface of the sea. The crater began to belch forth steam and ashes, and at the end of August the new island was about 5000 feet in circumference and about 107 feet high.

Many an island which has been known to man for centuries was born in this way but this island had a very short life. In October it began to sink out of sight and by the end of 1831 it had disappeared completely. Since then it has made several up and down movements but without breaking surface. The depth of water over the tip of the now quiet volcano averages 15 feet, but outside a circle of 20 yards diameter the depth is about 9 fathoms. Navigators know it as a very good spot to keep away from.

Pantellaria, the Italian island, lying about 45 miles from the Tunisian coast in Bomb Alley, came into being in somewhat the same way, for it is of volcanic origin, with an area of 58 square miles and rising to a height of 244 feet. It contains relics of its origin in the shape of hot sulphur springs and a salt lake of warm water. Fresh water is very scarce.

This is the island which Mussolini once proudly named as the "Italian Gibraltar." Five years or so before the outbreak of war he began to build fortifications there and Fascists spoke of it as a pistol levelled at the heads of those who would use Mare Nostrum against their will. It is said that great sums of Italian money were spent on heavy batteries, but so far Pantellaria has not figured in any special way in the war.

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DEAR MR. EDITOR

Dr. Kirkconnell and the Communists

Editor, SATURDAY NIGHT:

IN YOUR issue of January 2, Mr. Leslie Morris has a letter making certain charges against my literary honesty. These I shall answer seriatim:

(I) I am accused of inserting the word "our", in quoting, in an article of Dec. 12, 1942, the definition of Fascism from the *Fighter's Notebook*, which Canadian Communists had secretly distributed among Canadian troops at Christmas 1941.

The simple explanation of the discrepancy is that I quoted, correctly enough, from a report about the *Notebook* and not from the *Notebook* itself, which I had not seen.

I have now secured a copy of the *Notebook* and find that the original reads: "Fascism is the savage rule of the most reactionary sections of Big-Business. Hitler came to power with the backing of the German Big Shots against the will of the people." This is dated December 7, 1941, and is stated to be the work of the Soldiers' Committee of the Communist Party and the Young Communist League of Canada.

About five months before, these same two groups took the credit for certain broadsheets circulated in Toronto. I quote from my authentic file copies:

(a) Attacking Mr. Hanson for proposing conscription, they say that he "is preparing again today to fill not 62,000 graves as in the last war, but hundreds of thousands, in order to secure the British imperialist domination of the world, in which domination the Canadian capitalists have a vital, profit-hungry interest. . . . The fight for democracy, to stop the plundering of our labor in the field and factory by rapacious millionaires, is in Canada, not in the service of the criminal blood-letters who are responsible for the tragedies of Narvik and Dunkirk."

(b) Seeking to gain party credit by denouncing the refusal to give troops free transportation on leave, they say: "This is the heartless, barefaced action of old men in power who do not care a tinker's curse how many die in British wars so long as they can mortgage the present and future of this country, to the tune of billions of dollars, to their own big shot companies, banks and railroads."

Can one wonder that the British Labor Party, at its 1942 annual conference, decided, by 1,899,000 votes to 132,000, against co-operation with the Communist Party, and issued an official warning against it as "the most unreliable and fickle political institution in our land"? And is it any wonder that Mr. Tim Buck, already planning a strategic emergence from retirement, disclaimed the *Notebook*—as soon as it had been found out?

(II) Mr. Morris charges that I had striven to give a wrong impression of Lenin's meaning as to the treatment of "private farmers", in the *Theses* and *Statutes*.

It was irrelevant for me to consider what Lenin may have meant. The important thing for Canadians is the meaning that Communism has applied to this section. In the liquidation of several million "kulaks" in Russia, in accordance with this section, the norm for the "kulak" was set so low that nine out of every ten Canadian farmers would easily qualify for liquidation.

(III) Mr. Morris claims that I had unscrupulously chosen, in measuring the Leftist Russian paper, *Vestnik*, the issue commemorating the 25th anniversary of the Russian revolution.

This claim is pure casuistry, for the proportions of the ingredients in *Vestnik's* issues, week by week, are much the same. For example, in the issue of February 25, 1942, the analysis is as follows: Soviet Affairs, 362 inches; Communist affairs (Canada), 58½ inches; general war news, 71 inches; advertising (including its own notices), 57½ inches; Canadian affairs (including correspondence), 11 inches. Total, 560 inches.

My original criticism of *Vestnik* applies to this whole group. They are un-Canadian in make-up and policy, and they systematically plug a line according to Komintern directives for this whole continent.

(IV) I am accused of fabricating a statement attributed to Joseph Stalin in my book, *Canada, Europe and Hitler* (1939). The statement in question was translated literally by me from an article of May, 1939, by André Tardieu, former Prime Minister of France. I have the relevant passages on file, and could supply photographic evidence if desired. Tardieu's article does not state whether Stalin's remarks were part of his official address on March 12, 1939, as Mr. Morris mistakenly thinks I assume, or a contribution to general debate. The article reads in part:

"Les Soviets, qui se confondent avec le Komintern, gardent l'unique souci de dechaîner la révolution, même—ou surtout—dans les pays non fascistes et, à cet effet, de provoquer la guerre. D'autre part, les Soviets sont résolus à ne pas participer à cette guerre. Lisez, sur ces deux points, les rapports du Congrès communiste de Moscou de mars 1939. Ils sont décisifs.

"Sur la révolution et sur son moyen, la guerre, tous les orateurs sont d'accord. Staline dit: 'Le travail principal des partis frères doit consister à faciliter l'explosion de la guerre général.' En effet la guerre est l'accoucheuse de la révolution, et Staline ajoute: 'La reprise directe d'une action révolutionnaire d'envergure ne sera possible que si nous réussissons à exploiter les antagonismes entre les Etats capitalistes pour les precipiter dans une lutte armée'."

Such statements may not have been discreditable on Stalin's part in the spring of 1939, when so many British politicians were rooting for a Russo-German war in which Britain would remain conveniently neutral.

Tribune's Charges

The foregoing charges, Mr. Editor, are all unscrupulous. They are mild, however, when compared with the gross falsehoods by means of which this same Mr. Morris attacks me in the December 26 issue of the *Canadian Tribune* of Toronto, in a 2½-page article on "Quisling Kirkconnell". Some of these fabrications are as follows:

(1) Supported by a brilliant cartoon, showing me as a puppet in Ukrainian costume, labelled "Hetman Kirkconnell" and manipulated by strings from a swastika, he says: "Not for nothing did the Ukrainian Hetmanists (headquarters in Berlin) make you the honorary president of their organization in Canada."

I have understood that the Hetmanists (Ukrainian monarchists) in Canada have severed all European connections since the War. Be that as it may, the important fact is that I myself have never at any time had any dealings with, or borne any relationship to, the Hetman organization, in Canada or elsewhere. Mr. Morris is guilty of sheer invention.

(2) He charges me with dishonestly concealing the alleged "fact" that the Ukrainian paper *Svoboda* of Jersey City was suppressed by the American authorities. He says: "He forgets to mention that after the U.S. declared war last December, *Svoboda* was suppressed. Why do you hide these facts, Mr. Kirkconnell?"

This another of Mr. Morris's falsehoods. *Svoboda* has never been suppressed at any time, and is still going strong. I have been on its mailing-list for the past two years, and have not missed a single issue.

(3) He charges that in my attitude towards the "New Canadians", I am guilty of "a jingoistic, stand-pat imperialism, an Anglo-Saxon superiority, which is the very antithesis of the Atlantic Charter."

Nothing could be farther from the truth. For the past twenty years, no Canadian now living has worked more unremittingly to combat the very attitude that Mr. Morris describes. At least twelve of my books have been written with the express purpose of promoting a sympathetic and fraternal understanding of the literatures and cultures of these New Canadians. I have made hundreds of public addresses in the past four years, urging this same understanding as the basis of a broader Canadianism, in peace and in war.

Mr. Morris's falsehoods are particularly foolish in that they can be so easily and openly refuted; yet on a basis of such charges he urges the Canadian Authors' Association (of which I have the honor to be national president) to expel me from its ranks, and urges the labor movement in Canada to demand my removal from the Federal Government's advisory committee on "Canadians of recent European origin" and from the chairmanship of the Writers' War Committee of Canada.

This same *Canadian Tribune* goes even further in its issue of December 19, and tries to stir up against me the active hatred of the community. In this issue, in which the editor calls me a "Cagoulard" and his columnist, John Weir, calls me a "Doriot", the latter declares: "There are hundreds of thousands of people in Canada to whom Prof. Watson Kirkconnell holds second place only to Adolf Hitler in the hate of their heart. These are the 'New' Canadians, the people of European extraction who have settled here on farm and in city within the past 50 years. Hitler has ravaged the lands from which they and their fathers came and with which they still have many bonds, and threatens the security of their new country, Canada. Kirkconnell, they hold, has helped to ravage their free organizations and cultural institutions in this country and has aided and abetted the agents of Hitler in Canada."

In this fantastic calumny, the *Tribune* writer equates the whole New Canadian community (whose sympathetic interpreter I have tried to be) with the Communistic minority groups whose halls were sequestrated by the Government in 1940 because their leaders were sabotaging the war effort. He then implies falsely that I was the man responsible for closing these Leftist halls. Actually, I had no contact with the Government in this matter until 1941, when I was called in as an occasional adviser as to how to restore these halls to their communities for social and cultural purposes, without revoking the ban (which the Government wished to retain) on Communist activities.

As to the charge that I have "aided and abetted the agents of Hitler in Canada", this is utterly false. My *Canada, Europe, and Hitler* (1939) was the first Canadian war book to expose and denounce the activities of Hitler's agents in Canada, and I have continued that exposure ever since. Behind the *Tribune's* charge lies the fact that I have occasionally had contact since 1940 with united Canadian war committees representing the non-Communist Ukrainians of Canada organized in support of the war effort. Most of these Ukrainian Canadians hope for an independent Ukraine in Europe; but I have always specifically defined my own attitude towards Ukrainian nationalism in the following terms: (i) that I see no place for an independent Ukrainian nationalism in Europe, but only for a possible place in some European federation; and (ii) that there is no future for anyone if Hitler wins, and therefore their one duty, as Canadians of Ukrainian origin, is to support Canada in the War. This attitude of mine is a matter of published record.

WATSON KIRKCONNELL

Hamilton, Ont.

THE FRONT PAGE

(*Continued from Page One*)

the freedom and the self-confidence of the individual. So employed, it should be of the highest usefulness not only during the war but after it. The men who will be demobilized from the Canadian Army after this war will be better, not worse, qualified for civilian citizenship than they were before.

It is to be hoped that the fine organization now working on personnel selection in the army will not be wholly disbanded when that time comes, for there will be plenty for it to do in the rehabilitation period. But in any event the men who are thus gaining experience in the application of scientific principles to the guidance of human beings will be of great value to their country when she comes to need that experience in her peace-time life.

Political Maturity

NOWHERE in the world is public opinion so powerful as in Britain. Why is Winston Churchill Prime Minister? The Chamberlain Government had not been defeated. On a confidence vote it had a majority of 81. But people in a thousand village pubs had been talking. Trade Unions had been talking. The Labor party, heads and tails, had been talking. Drawing-rooms had been talking. Officers' messes and ward-rooms had been talking—and probably swearing. Chamberlain, a few short months before, had been the voice of England. But England had new ideas and a ponderous new voice declaring that the time had come to fight, not to dicker. The Labor party declared that it would work with Churchill and not with Chamberlain. And Winston moved into No. 10 Downing Street.

Sir Stafford Cripps is Lord Privy Seal and the Leader of the House of Commons. There hasn't been any election. Cripps represents nobody but East Bristol. The official Labor party expelled him in 1939. He isn't a Liberal. He certainly isn't a Tory. He is a Socialist, a relic of the Fabians, who created the Labor party and then stepped aside to regard its mistakes with a serene disapproval. Perhaps Cripps, Beatrice Webb (his aunt) and Bernard Shaw could form a party, but there would be only three in it. And yet Cripps, like Mordecai, is next unto the king; Winston's right-hand man.

Again look to the lads in pubs, the trade unionists, the multiplicity of little people, for the answer. These are the folk who take government as their particular business and regard parties and groups and Able Editors with suspicion. But they know a man when they see one. Probably they are steadily hostile towards the general ideas of the class to which Mr. Churchill belongs. But they know Churchill, who, politically, has been a lone wolf for many years, who has transferred himself from one party to the other and back again when he was being suppressed or ignored. They know him to be nobody's man but his own, an honest, informed and capable patriot.

In like manner they know Cripps, who would be considered incredible if he were a character in a novel. But he's alive, and perpetually astonishing. He is the subject of a full-length biography by Patricia Strauss (Collins, $3.75), who ought to be well qualified now to undertake the Lives of the Saints. For Cripps has the uncanny notion that the teachings of Jesus Christ, taken as they are, without ecclesiastical trimmings, make a good rule of conduct. His father before him had the same idea, and his grandfather too. Furthermore, the family has been a series of lawyers, generation after generation, and has held the strange view that if property is mismanaged so that poverty becomes endemic Parliament should do something to correct the evil.

Stafford in his youth showed a bent for science, and at 22 read before the Royal Society a paper on The Critical Constants and Orthobaric Densities of Xenon. But the Law beckoned him and at 24 he was called to the Bar. His views on the life and progress of the Labor party were unsavory to the leaders. He was perpetually "in wrong," and at last was expelled from the Party for his independence of action. The Daily *Express* made the pat comment that the Labor party had blown its brains out.

He has been blasted as a Communist (which he isn't,) scorned as a republican, accused of disloyalty to associates, held up to ridicule, but the slings and arrows of outrageous fortune bounce off him harmless as feathers. He knows exactly where he is going and has a welcome for all who are going his way. But he has no party at his back; nothing but the fervent confidence of some millions of determined Englishmen who remember the days of the dole with loathing and look forward to the Four Freedoms as the worthy outcome of a desperate war.

Is there any other general populace so politically mature?

QUOTH THE EAGLE "NEVERMORE!"

Work of the T.S.O.

THE concerts of the Toronto Symphony Orchestra are regularly listened to by many thousands of music-lovers all over Canada and the United States, but the regulations of the CBC do not permit of any direct appeal to these listeners for a contribution to the support of the orchestra from those who appreciate the privilege of hearing it. It therefore seems legitimate for this journal, which is among the orchestra's most devoted adherents, to mention the fact that the Women's Committee is appealing for subscriptions of one dollar or more for the sustaining fund, which requires about $26,000 to make up the difference between the total cost of the performances and the receipts from ticket sales and broadcasting fees. We doubt whether there is any orchestra on the continent with a standing approaching that of the T.S.O. which can show so modest a budget, the total cost for the season being estimated at $70,000. The orchestra is this season giving a series of Young People's concerts, in alternate weeks at the nominal admission fee of $1.75 for five concerts, and these together with a well organized system for spreading information in the schools of the district about the pieces to be played are rapidly raising the level of musical taste in the community. Members of the orchestra think that the junior audiences could probably teach the senior ones a good deal about the significance and history of the pieces performed. The programs are largely identical and the youngsters are quite as enthusiastic as their elders about both Beethoven and Shostakovitch.

Quislings Then and Now

WE SHALL not for a time be able to devote much more of our limited space to the attacks of the Canadian Communist press upon Dr. Watson Kirkconnell and other eminent Canadians whose views on international politics in Europe do not conform to the party line. Our readers have had an opportunity to judge of the technique of the campaign by which the *Canadian Tribune* has endeavored to lessen the effectiveness of Dr. Kirkconnell's criticisms. It is a campaign which is obviously not calculated to achieve much among the kind of people who may be expected to read both sides of any question, or to remember what was said two years ago by persons who are now saying the exact opposite. But it may have its value among the kind of people to whom epithets like Quisling Kirkconnell and Hetman Kirkconnell are more impressive than any amount of reasoned argument.

We still do not think that the proper method of combating these admittedly dangerous and unprincipled efforts to mislead the New Canadian element of our population is to suppress the periodicals or to put the writers in jail or in internment camps. That New Canadian element is not devoid of shrewdness, and only a small part of it takes the mouthings of the Communist press as inspired gospel—and that part would do so with even more reverence if the authors were martyred. Canadians can protect themselves against all the Communism there is in this country, by the ordinary legitimate democratic means, if they care to take the trouble—just as Torontonians could easily protect themselves against having Communists in the City Council if they would take the trouble. Suppression and internment appear to some people to be an easier way, but the easier way is not always the better.

It is interesting to reflect that at the time when the word "Quisling" acquired its present hateful significance, that is to say during the first four or five months of the German occupation, nobody connected with the *Canadian Tribune* or with any of the left-wing foreign-language press would have dreamed of using it as a term of abuse; Vidkun Quisling was then merely a sensible Norwegian who was seeing to it that the Norwegian masses should not be sent forth at the orders of an absentee monarch to "die in British wars."

More Calendars

AS USUAL, some of our better calendars came in too late for mention in the annual review of that branch of artistic endeavor. As this may in some cases be due to war exigencies, we are forgiving those who got theirs in during the first week after the proper date.

The R.C.A. Victor Company have done the best job of working their product into their design that we have seen. The picture is a very well-charactered group of four naval officers—one with a lovely chin beard—having cocoa in the wardroom and running through a newly-arrived shipment of records, probably by Gracie Fields and George Formby, which they are obviously enjoying immensely. The North American Life has four very vigorous, if rather sentimentally colored, lithographs by Bruce Stapleton symbolizing the four determinations of a free people; the third, freedom "to work at a task of our own choosing," is perhaps the one which most needs to be recommended to Canadians at the present moment. And the Economic Mutual Fire Insurance Company, head office in Kitchener, has done a beautiful four-color photo-engraving of an autumn scene near Bobcaygeon, Ont., which will keep us thinking of the scenes we shall be able to see in 1944 if Herr Hitler's submarines have then been disposed of and we can get some more gasoline.

THE PASSING SHOW

THE most delightful form of philanthropy consists in giving away what doesn't belong to you. Post-war planners are all philanthropists.

•

A United States fuel oil order is directed to "barber, beauty and butcher shops and all similar enterprises." Similar to which?

•

Citizen's Song

(Written on seeing the lights around the Ontario Parliament Buildings burning at 10.30 a.m.)

In winter *I* get up at night
And dress by yellow candle-light.
The Government's the other way;
It leaves its lights on all the day.

My youngsters now forego the glee
Of lighting up their Christmas tree,
But lamps blaze forth around Queen's Park
Although at noon it isn't dark.

And does it not seem strange to you
To burn one light instead of two
While governments burn many a score?
—But this is just a People's War.

MINERVA.

•

The author of "The History of Canadian Wealth" is dead, and Canadian wealth isn't feeling too good either.

•

James Truslow Adams says we are living on capital, but nobody says that it is providing us with a capital living.

•

To Russia

I thought of you as a Government,
As a Rule of blood and silt.
But now I'm listening all attent
While my poor, weak hatreds wilt.

Today I have put away my fears,
And hope has begun to glow
For you Men and Women who say with tears
Your Everlasting No.

J. E. M.

•

Some Opposition speakers claim that the Government is a dictatorship, others that it can't make up its mind what to dictate. Of course both may be right.

•

One difficulty in explaining Canada to the Americans is that they call the President "Mr. President" and we don't call the King "Mr. King."

•

A Grand Old Tradition

Provincial Treasurer Low said that while the amount (of a bond issue maturing this year) was small as compared with the 25 millions which Alberta had already defaulted, it was felt that even though the money was owed to people in the British Isles, the Government could not afford to break the tradition of default.—*Lethbridge Herald.*

•

Robertson Davies, formerly of this journal and now editor of the Peterborough *Examiner*, says in a new book on "Shakespeare for Young Players" that the object of education is to make people interesting. We know a lot of uneducated professors.

•

Some Conservatives say that Mr. Bracken should not run for Parliament but should run around the country instead. Can they be afraid that he would fall under the influence of the Conservatives already in Parliament?

•

Vowel Villainy

I hereby raise protesting hand
To urge each radio voice be banned
That sings with glee
"There'll always be
An EngGLUND.

I think such singers should be shunned
And silenced, sentenced, stoned and stunned
Until the day
They learn to say
An EngGLAND!

AUSTIN CAMPBELL.

•

If every worker is entitled to a job, don't forget that every job is also entitled to a *worker.*

•

Here's to the day when our inCOME'll
Be taxed on the plan of Mr. Ruml;
Or else to the day when we'll be told we'll
Not have any to tax, by Mr. Coldwell.

Canada's Artists Find Inspiration in War Work

Icy Street, by Tom Wood

By Lucy Van Gogh

THE industrial side of the war is at last beginning to make its impact on Canadian art. For a long time the censorship stood in the front door of every war plant in the Dominion with a grim look on its face, and waved away everybody who was not actually on the payroll. "Artist? Fifth columnist, you mean! What do you want to do? Tell the Germans all about what we're making?" But during the last year there has been a distinct change, and lately artists have even been welcomed.

For one thing, they add immeasurably to the esprit-de-corps of the workers. A photographer helps, but a photographer merely walks through, sets up his camera, presses the bulb, and goes away to his darkroom. He does not sit around making sketches that the workers can see, and peering into odd corners to understand an operation better, and studying the gestures of the men as they handle the machines. He is not seen by the workers in the very act of producing his picture.

The workers, according to artists who have painted among them, like very much to get into the pictures, not on account of themselves, but on account of the operation that they are performing and the machine which they run. Each man thinks that his own machine is the most important in the whole process of the factory, and feels hurt if it is left out of the series of studies.

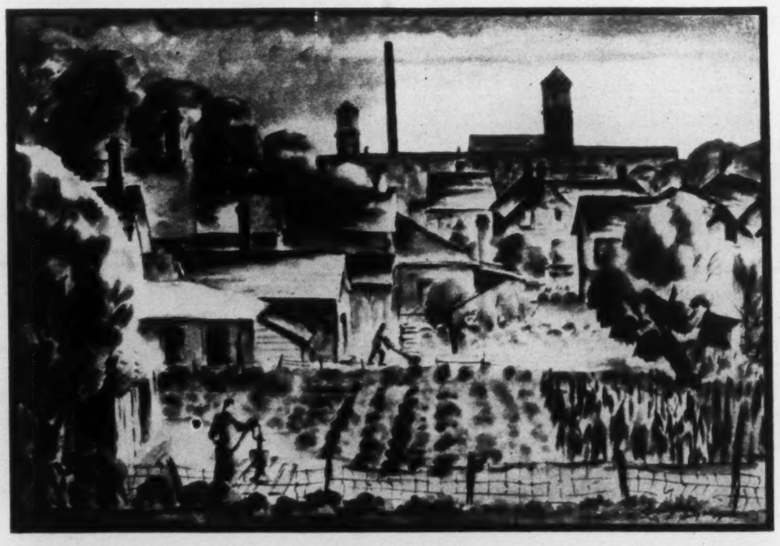
The painter, moreover, can do a better job than the photographer on the portrayal of industrial processes, because of his much greater power of selection. The camera cannot very well leave out anything that is in the range of its vision, and in a factory the things that are not wanted in the picture cannot be moved out of the way. The artist can concentrate on the essentials, accentuating the vital parts of the machine and the controlling gestures of the operator, shifting the light to suit his purpose, and letting the unimportant background disappear into vagueness.

A great deal of the work exhibited in the show of the Canadian Society of Painters in Water-Color, currently on view at the Toronto Art Gallery, is concerned with war work. Of the ten water-colors and wash drawing reproduced on this page, four are directly concerned with war industry, and two depict the out-of-the-factory life of the industrial worker. Both Tom Wood's **Icy Street** and Carl Schaefer's **Summer Evening in Town** are obviously mill-town scenes in Quebec and Ontario respectively. Another picture, William Winter's **Hospital Corridor**, belongs also to the industrial field, although agriculture is not wholly exempt from accidents. Thus only three of the selection belong to what used to be almost the sole source of material for the painter of the picturesque—the rural scene, and one of these is a character portrait.

Charles Goldhamer, Caven Atkins and Carl Schaefer have all been working hard on the war industries of Toronto. The most impressive of these from the artist's standpoint is the shipbuilding one, and pictures of the Toronto Shipbuilding Yards are numerous. The artist can render the effect of the huge size of the materials dealt with, and the co-ordinated effort of the men working on them, with singular fidelity. But one of the most striking of the collection is Schaefer's "Setting Up a Bertram Lathe for a Low-Pressure Turbine Rotor." What would an artist of the last century, or even the early part of this one, have thought of that as a title for a picture?

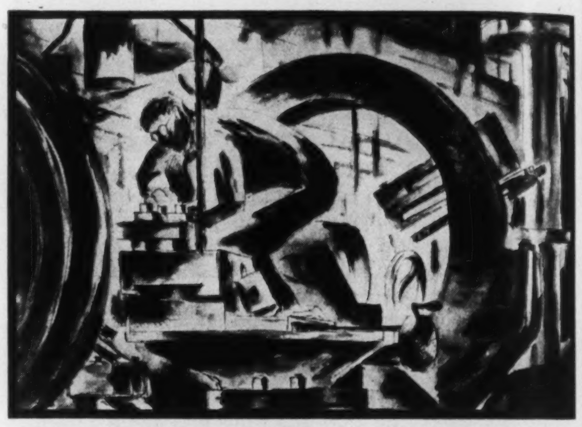
There are many other types of subject-matter also dealt with in this exhibition, and a critical account of these by R. S. Lambert will appear in our next issue. The Gallery is also showing a collection of modern floor rugs designed by "abstract" artists which is of great interest.

Minesweeper Ready for Launching, by Charles Goldhamer

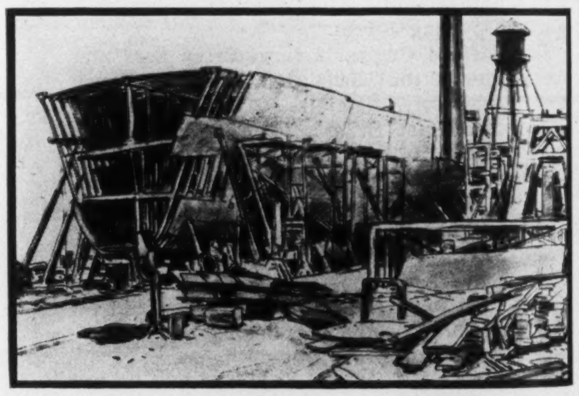


Summer Evening in Town, by Carl Schaefer

Sixteen Islands Lake No. 2, by Fritz Brandtner



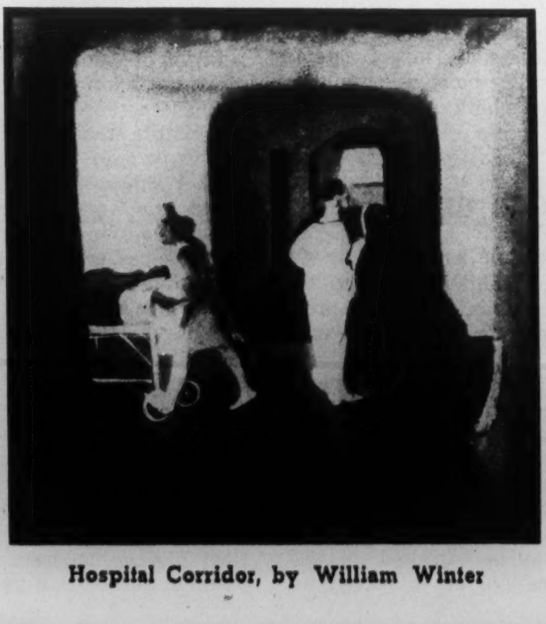
Setting Up a Bertram Lathe, by Carl Schaefer



Minesweeper in Construction, by Charles Goldhamer

Farmer of the Hills, by Charles Goldhamer

Old French-Canadian Barns, by Peter Haworth



Hospital Corridor, by William Winter

Forming Bulkhead Girders, by Caven Atkins

Where Will Our Child Labor Problem Lead Us?

BY ANNE FROMER

Child labor—synonymous with the birth of the industrial revolution, with youngsters of eight and nine toiling in damp sunless coal mines, with seven year infants tending unfenced machinery for 12 hours each day, with an era thought forever past—has returned with a new wartime meaning, a crucial significance.

It has become the signal for the employment in hard-pressed consumer industries of public school boys and girls, in contravention of child labor laws. It has become the cue for a high school exodus, for turning adolescents into the unskilled factory labor of the future.

It signifies the conversion of the children of today into the economic casualties of tomorrow.

CANADA has almost reached the stage where a new crusader, another Charles Dickens, is needed to rouse the nation out of a wholesale reversion to child labor.

Constant vigilance is still the price of freedom—but in this fourth year of war, a nation of humanitarians, its eyes fixed on the prime objective of victory, has permitted the development of a state of affairs utterly incompatible with the way of life it is fighting for.

Here are the facts: Scores of Canadian industrialists are deliberately breaking the child labor enactments in which Canada takes such justifiable pride, in order to maintain their consumer-goods output and profits. Hundreds, perhaps thousands of adolescents are having their health, their education, their future economic status, their very lives jeopardized because they themselves, their parents and their employers do not look beyond next pay-day.

"The future of these children is being mortgaged," declared James F. Marsh, deputy minister of labor for Ontario, "and it is a mortgage that can never be paid off."

"We are rapidly reverting to the bad old days when child exploitation was on an unbelievable scale, days we piously thought could never return," declared Miss M. S. Pettigrew, secretary of the Toronto Board of Education.

"It's a tremendous problem, with children, parents and employers conspiring to contravene basic welfare laws essential to the nation's future strength," said Miss Janet Parker, acting secretary of the Big Sister association.

A federal government report warns of "individual impairment and social wastage," in connection with premature employment of children who should still be in school.

War Conditions

It is true that war conditions, "today's emergencies," are responsible for the situation. Thousands of adults previously in consumer-goods production have been withdrawn to the armed services or to war production, and juveniles can easily "find jobs" to replace them in unskilled tasks. But all interested agencies are emphatic that this excuse is not sufficient to allow them to close their eyes to the impairment of the welfare of a future generation.

The question may be stated in a sentence: Is any individual, as a consumer content to ruin even one child's health, education, future prospects, so that he may continue to be able to buy some trivial or non-essential article?

Take Joan, aged 11, who goes straight from school to a factory where she works at pasting labels on bottles until 8.30. Saturdays she works all day. Nobody except her employer, her parents, and Joan herself, all of whom are lawbreakers, know where this child works. The Big Sister association, which concerns itself with such things, tried to find out from Joan. A field worker questioned her:

"Where do you work?"

"I don't know," Joan answered demurely.

"What is the address?"

"I don't know. Another girl takes me there."

"What is the name of your employer?"

"I don't know. They just call him Bill."

Obviously Joan is being evasive. She may lose a job that pays $6 a week with which she plans to buy a new coat and shoes. Her parents are quite willing to see their daughter's education disrupted, her health endangered. Her employer, the mysterious "Bill," is not anxious to abide by the Ontario Child Labor Act. He is much more concerned with maintaining the volume of his non-essential business.

John, 12, works from 5 to 10.30 every night in a bowling alley, is paid according to the number of games he sets up, and makes $4 to $8 a week. His father is overseas and his mother thinks it quite all right for her son to work nights.

During her holidays, Sarah, 13, started working in a candy factory. When she went back to school, her employer called her on the telephone. "How would you like to work for us evenings?" he asked. Sarah thought it would be a good idea. "And bring along any of your school friends who would like to make some money, too," he added. So she gathered a group of her friends, average age 13, and they work from 3 to 11 p.m. for about $8 a week.

Too Tired to Study

Not the least of the evils of "child labor" is the fact that it is reducing Canada's high standard of scholarship. In a sampling made by the Ontario Department of Education, among a group of ten public school children in Toronto, each of them working after school from two to eight hours, six failed to pass their fall examinations. One public school principal demanded that the Ontario Department of Labor "do something about it," maintaining that the use of school children in labor had resulted in the scholastic standing of his school "reaching a new low." "The school board is blaming the teachers," he declared, "but teachers can do nothing with pupils who are simply too exhausted to learn anything."

Responsibility for enforcing child labor legislation rests squarely on the provincial labor departments. The federal government can investigate and report but cannot dictate action in a sphere which is beyond its jurisdiction. Provincial authorities admit the responsibility, but plead that their efforts to enforce the law are met by a conspiracy of child, parents, and employer, to break it.

Yet the exploitation of school-age labor which is a simple matter of law-breaking, is in reality only a minor part of the vast new problem facing social agencies and government. More important is the wholesale employment of school-age and teen-age children, perhaps within the letter of the law, but certainly quite outside its spirit and intention.

For example, most provincial laws provide that children must stay in school until they are 15 or 16, but allow younger pupils to obtain permission to work "if the child's services are required in any permitted occupation in or about the home of his parents or guardian . . . or are required in some permitted gainful occupation for the necessary maintenance of himself or some person dependent on him."

It is certainly not likely that there has been any increase in the number of "needy parents" of school children, with employment in war industries and elsewhere at a record high—yet to take the case of Toronto alone, there were in 1941 an average of 165 permits a month granted to children between 14 and 16, while in two months of this year the figure had been multiplied to 750 a month.

Quebec has no school attendance laws whatever, but controls the employment of youths in dangerous trades. Elsewhere no statutes govern the employment of young persons within the legal age limit, and the result is that children between 14 and 16 entering industry in the rising labor market, in many instances have to do the work, accept the dangers and rigors of adult occupations . . . as well as make the high money.

The result is a two-fold problem—greatly increased juvenile delinquency due to young people earning hitherto unheard of sums of money, and greatly increased physical danger to themselves, through lack of experience in hazardous jobs.

The federal government's report in this connection points out that workers under 18 "are liable to a higher proportion of accidents and to a relatively high proportion of permanent disability accidents."

Strangely enough, prosperity is now cited as a prime factor in juvenile delinquency, which has risen 41 per cent in the last year. "Boys who have just left school are making more money than they can handle intelligently," said Dr. Kenneth Rogers, of the Big Brothers. "One boy, for example, not yet 16, is making $42 a week in a job which happens to be extremely hazardous. So much money is easily spent very unwisely. . . . Even the most level-headed boy has a multitude of temptations under present conditions. With the practical certainty that he will be in some branch of the active service in a few years, it is uncommonly easy for a fellow to accept an 'eat, drink and be merry for tomorrow we're drafted' attitude. . . They tend to get an exalted idea of their own importance."

Among girls, according to Miss Parker, the big hazard apart from all considerations of impaired health and interrupted education is that young girls taking factory jobs are immediately thrown into an "adult atmosphere," are open to adult attitudes and ideas, and tend to "act older" and "dress older," go on dates with men who believe them older than they are, and under such flattering circumstances are not able to exercise the judgment of an older person.

Welfare of the Race

Scarcely a single phase of all that goes into the making of a healthy, well-adjusted human being escapes the virus of child labor. The federal government in a survey on the employment of children and school attendance draws upon experience gained in an investigation which showed that employment of children in their school-going days "is not merely a question of scholastic efficiency—it affects the physical welfare of the race. We have now an overwhelming mass of evidence to the effect that the health of our children suffers from premature or excessive employment. The evil effects may be traced in diminished height and weight, in curvature of the spine, in cardiac affections and in deficiency of the senses, especially the sense of vision, and in bad teeth."

Britain's highest labor authorities, so far from being willing to lower the bars on child labor to meet the manpower shortage are seeking to raise them higher. Ernest Bevin, Minister of Labor and National Service, deplores the pre-war policy permitting young children to leave school and go to work. "The state made a great mistake," he declared recently, "in maintaining such a low school-leaving age for the last 20 years. How valuable it would have been for the state now if those children had been kept at school for another couple of years, and a portion of that time devoted to some form of training to give them at least a basic knowledge of production. . . I trust that this will be borne in mind in the future."

Child labor has not even the excuse of "making money" for its victims. It may give a child $6 a week wages instead of 25 cents pocket money, but it will cost that child thousands of dollars in lifetime income. Because almost every teen-ager who leaves school goes into a "dead end" job, without a future. And Lord Soulbury, head of Britain's unemployment assistance board, has established that "blind alley work in which there is no opportunity to develop aptitude or acquire skill of lasting value, is by far the largest single cause of unemployment."

A similar statement has been based on a study made in Canada. An inquiry made by McGill University found that in a group aged from 27 to 32, those with only elementary school education reported an average of $21 a month less salary than those who had had some high school education. In a group aged 39 to 44, the average for those with longer schooling was $14 a month higher.

Final evidence of the damage of child labor is contained in Canada's criminal records. In five years covered by Canada's national registration, more than 95 per cent of persons over 16 convicted of indictable offence were found not to have gone beyond primary schools. To put it bluntly, if a person enters high school he is nine times less likely to become a criminal than his brother who, for whatever reason, leaves in primary school.

And today's "whatever reason" for leaving school almost as soon as a child has learned the rudiments of reading and writing is, to a degree which alarms all who study the problem, to enter Canada's booming child labor market.

Scenes like this are being enacted in much of Russia today as Red Army troops continue to push the enemy farther and farther from their land. Taken during the Germans' retreat from Moscow, it shows residents of liberated villages welcoming Soviet troops in their advance. Perhaps no other picture to emerge from the Russo-German struggle so strikingly expresses as does this famous one the turn in affairs of recent weeks.

Second only to the Russian armies themselves in courage, tenacity and skill are Soviet guerillas who throughout the struggle have sturdily maintained a "second front" behind German lines. Shot, tortured when caught (above), they have proved a great factor in Russian resistance.

When the Germans were winning: crew of captured Russian tank are made prisoners. Today it is the Russians' turn to take all the prisoners.

German Morale is Fast Deteriorating in Norway

To people who won't submit: "We'll force you to your knees!" A Nazi inscription on a house wall in Athens reflects the mounting tension between invader and invaded which is daily being evidenced in occupied Europe. Photo was taken during Greek Independence Day demonstration.

BY A CORRESPONDENT IN NORWAY

> **This article was smuggled out of Norway by a dependable correspondent who, for reasons of prudence, must not be named. It is published by "Saturday Night" as a confirmation of fragmentary news-despatches from neutral sources revealing the decline of morale among the German soldiers in the occupied countries of Europe. In Norway, as elsewhere, the Higher Command is hurriedly and nervously strengthening fortifications.**
>
> **The quality of food for the Germans has been rapidly declining. Russia's frequent bombing raids on their strong points and the fact that Russia's successes are a matter of common knowledge have made the invaders anxious and depressed. Protest and even mutiny have been the result.**

RECENT military events in the far North, the successful arrival of big convoys at Murmansk, in spite of the heaviest attacks by the Luftwaffe and by German U-boats so far experienced in this battle zone, increased activity on the Murmansk front, and the latest repressive decrees and execution of patriots in the Trondheim area have created new interest in German activities in Northern Norway.

Reports from that region confirm that the Germans live in constant fear of an allied invasion. They are digging trenches and constructing bunkers in and around the town of Kirkenes. Women, children, and old people have been evacuated. At the beginning of June the Germans registered all Norwegian skilled labor for "technical emergency relief." Under this scheme all able-bodied Norwegians between 17 and 50 years of age may be called up for emergency repair work in the case of air raids. The people are not allowed to leave the district without a permit. This order also has another and more important purpose—namely, to keep the Norwegian population behind the German lines to prevent them from joining the allies in the event of an invasion.

Similar conditions prevail along the entire north and north-west coast. The Germans have constructed a large number of airfields and emergency landing grounds throughout the countryside. The two principal airfields in the extreme north are at Bardufoss and near Kirkenes. The Germans are now building a large airfield on one of the Lofoten islands, which is being razed and levelled for this purpose. All important points and inlets along the coast bristle with coastal artillery, and there are many U-boat lairs in the fjords.

One of the German U-boat bases is at Sor-Skjomen, south of Narvik. A well-known Norwegian cruising yacht serves as a floating hotel for U-boat crews when in port. The U-boats at this base are usually at sea for three weeks and then stay in port for about two weeks. When they come back they fly a white flag showing the amount of tonnage they claim to have sunk. The most which has been observed is 15,000 tons, and they frequently return without flying the flag of victory at all. A number of destroyers also use this base, and during the summer a 30,000-ton warship paid three visits in the course of about six weeks. There are also a number of German supply ships which call regularly with fuel, ammunition, and torpedoes. It is expected that the Germans will enlarge this base to make it one of their principal stations.

Kirkenes seems to be the main base for all the German military activities in the far north. The whole area is one great military camp. The town is dominated by German soldiers and German traffic. In and around the town, garages, barracks, workshops, stables, and storehouses have sprung up like mushrooms.

Russian Air-Raids

The Soviet air force has been constantly busy over Kirkenes, apparently with much success. Since the first German attack on Russia until the end of July of this year Kirkenes has had more than 400 air raid alerts, that is, more than one a day. The airfield at Hoybukten, about five miles east of Kirkenes, has been hardest hit by Russian bombers. Shortly after Easter the airfield was attacked by 25 dive-bombers, which destroyed the wireless station, several barracks, and eight to ten aeroplanes on the ground. Other attacks have been made repeatedly. An air raid on Kirkenes harbor on July 13 was particularly successful. A large German storedump, a number of warhouses, an automobile workshop and 35 to 40 cars, and a barracks were destroyed.

There has been a marked decline in the spirit of the troops of occupation in this part of Norway. The first German troops to arrive in North-eastern Norway after the collapse of the country were well-trained units of the Waffen S.S. Later came mountain troops, who had arrived straight from Narvik and who were confident of victory. These were in excellent spirits and regarded their transfer to Kirkenes as a sporting excursion. Now, two year later, the picture is quite different. The morale of the German soldiers has long been a popular subject of conversation among the local population. Their confidence in victory and good spirits have been replaced by numbness, resignation, impatience, and dissatisfaction. Sometimes they have mutinied.

There are many reasons for this deterioration. One was the heavy losses suffered by the Germans on the Eastern front during the summer and autumn of 1941 and their failure to win a Blitzkrieg against the unexpected resistance and courage of the Russians. The hard work they had to do in intense cold and snow several yards deep, the continual darkness, together with the icy attitude of the Norwegians, have also contributed to dispiriting the Germans. Another reason is that by far the majority of the German soldiers in Northern Norway have not yet had the leave promised to them for more than two years.

Food Gets Worse

Finally, the food supply has become steadily worse, because of the heavy losses of shipping along the Norwegian coast. At first the German soldiers turned their noses up at fish and refused to eat it. Now their main meal five or six days a week consists of fish. Fresh food supplies, as well as all kinds of commodities, reach northern Norway very spasmodically. Communications with the south are often at a standstill for long periods, and whereas before large coastal steamers brought the necessary supplies northward, these are now carried in an occasional "substitute express," consisting of small smacks.

These conditions have had an increasingly serious effect on the invaders. By the spring many Germans had begun to desert. Some had made use of passes dropped by the Russians together with leaflets and had gone over to the Russian lines. Others had refused to fight and there are now said to be about 1500 German prisoners in the Kirkenes area. They are interned in two camps; one just outside Kirkenes and the other not very far away at Vaggetem, in the Pasvik Valley. Many German prisoners are also kept on board the Norwegian training ship Sorlandet, which is anchored at Kirkenes. These prisoners are working on German military installations and are not allowed to communicate with the local population. There are also reports that some of the German deserters have been shot.

One detachment which was recently ordered to the eastern front refused to obey. Every seventh man was shot, but the rest still disobeyed the order. Thereupon every tenth man was shot, and the remaining 800 men were put in a concentration camp. Another concentration camp has been established for deserters returning from the Finnish front.

In spite of these signs, however, it cannot be said that the German spirit in general is undermined. Most of the soldiers are so used to being obedient that they are so instinctively, and the majority of them lack the courage to oppose the iron discipline; but those instances of revolt which do occur nevertheless give a fair impression of what is fermenting in the souls of the German soldiers in the far north. When a German general was asked when the war would be over, he replied: "When the British are eating rats and we are eating substitute rats."

In addition to the German soldiers, Norwegian prisoners and Norwegian labor conscripts, some of whom have been deprived of their papers to prevent them from escaping, are slaving for the Germans.

CANADA OVERSEAS

War's Toughest Assignment for Canadians

BY L. S. B. SHAPIRO

London.

IN ORDER to understand clearly how the Canadian army overseas proposes to do its full share in winning the war, how it is constituted, and why, it is necessary to understand first the character of General McNaughton. Because the Canadian army is the achievement of its commander. Whatever it is today, he made it. There was no Canadian army when General McNaughton was given his overseas command. He conceived it; he built it. The army bears his stamp.

General McNaughton is mechanically minded. This does not mean he has a mechanical mind. On the contrary he is intensely human and receptive to every tremor of military progress. It does mean that he is a fanatical believer in organization and machinery, and in minute application of the science of industry and mathematics to the science of war. This facet of his mind is illustrated by the story of those who served under him when he was the most brilliant artillery officer of the last war.

"Andy had us climbing trees and hills day and night to clock enemy firing until he'd located every enemy battery on our front," they related recently. "He had us digging craters to recover fragments of shells until he knew the exact size of every German battery and the calibre of their guns."

This passion for machines and organization evolves from another McNaughton characteristic. He feels greatly responsible for the lives of his men; more so, I think, than the majority of field commanders. He is loathe to suffer a single casualty which might be averted by keener application of mathematics and industry. In theory this is only as it should be. In practice, this characteristic can be a weakness or a great strength, depending on how it is applied by the field commander.

BEING a practical soldier, McNaughton is no sissy about human life. He knows he is in the business of shooting and being shot at. In the process his force must suffer casualties. But those of us who have been fairly close to him these last few months know his determination that no man shall fall through inadequate training, equipment or staff work, and that each casualty must show a return in terms of progress toward victory.

McNaughton is not looking for a soft spot for his Canadian Army. On the contrary, I think the official history of Canada's overseas force will some day show that McNaughton passed up the soft spots in favor of the toughest military assignment of the war.

Thus far, the known assignments to which McNaughton agreed are three in number. In April, 1940, the Canadians proceeded to a Scottish port in order to effect the recapture of Trondheim harbor. The War Office abandoned the scheme at the last moment. In July 1940, a Canadian brigade landed in France in a forlorn effort to bolster the retreating French armies. In August, 1942, the Canadians attacked Dieppe from the sea.

None of these was an easy assignment.

THE fact is, McNaughton does not want an easy assignment; at least, he has kept his Canadians in such a position that when they fight, as they must, they will be in the most vicious battles of the war. They have remained in England while British and American armies have been streaming to the distant fronts. It is a reasonable deduction that they will remain in England until a western European land front is opened.

After the demonstration put on by the Canadians last December 17, it is equally reasonable to suppose that they will be the spearhead of the attack somewhere along the western coast of Europe. By this demonstration McNaughton showed us the use he has made of his three years in England and also proved the fitness of his force for the toughest assignment of the war.

It is recognized—there is no question about it—that the seizure of a bridgehead on the western coast of Europe is the knottiest military problem facing the United Nations. McNaughton offers his compact Canadian force for this job. Otherwise, why is he remaining in England? No longer, certainly, as a counter-invasion force. He himself told us a German invasion of this island is now "unlikely."

WE FIND McNaughton, therefore, a highly efficient man, receptive to the newest ideas in warfare, fanatically devoted to the proposition that machines should be used to the full to lift the burden and lessen the danger of the soldier, and determined that every Canadian casualty must make a most direct contribution to the winning of the war.

His army is a reflection of the man. It is a mechanized army, highly trained through three years of ceaseless work, and designed at every stage for the job of creating a bridgehead on a foreign coastline.

How this force shall be used rests generally with the Allied high command—but the last word is McNaughton's. He is commander of the army and it does not go into action, so long as he is commander, until he approves the operation. And he has apparently made up his mind that the Canadians can serve the common cause most effectively by going into the sort of operation which calls for their special talents, training and equipment.

There are some who believe the Canadian Army should be put freely at the disposal of the Allied high command without any strings, not even McNaughton's. There are many others who feel McNaughton is eminently right in holding the army together for the job he thinks will best serve the cause and match the army's design and training.

Thus far McNaughton is standing by his guns—and with an easy confidence which reflects his certainty that the history of this war will attest his wisdom. He is taking the grand gamble with his reputation like the gallant man he is.

BEVERLY BAXTER'S play, "It Happened in September," will be remembered on three counts. The author made the longest curtain speech in the history of the London theatre on opening night. It is the only west-end play which closed on Boxing Day—in advance of the most prosperous theatre week of the year. And after the play's demise, Mr. Baxter commandeered three columns in the Evening Standard to flay the critics who didn't like his play.

"Did the critics kill my play?" he wrote. "Certainly. In a six weeks' tour of the provinces it built up to increasing and enthusiastic audiences in each place. It would have the same in London if the critics had not damned it with a zeal which was remarkable. There were some who saw the merits and beauty of the play. The remainder went from boredom to ridicule.

"Well—there we shall let it rest. The critics have won. They have freed another theatre for an imported murder comedy. They have warned the managements what they are to expect if they dare inflict an English play of ideas upon their sensitive palates. They have shown the red light to English playwrights who might be so foolish as to plan a drama of contemporary British life in terms of sincerity and responsibility. As for 'It Happened in September' I shall produce it again five years from now. It was born to live, not to die."

ONE of the interesting (but unsubstantiated) stories which reached this desk today deals with the Dieppe raid. It will be remembered that the Germans announced the seizure of voluminous operational orders from one of the captured officers. After examination of these orders, Berlin announced that Dieppe was a full-scale invasion attempt and the Germans "quoted" long passages from the captured orders to prove their point.

Several weeks later a member of the House of Commons raised the question. He inquired whether steps had been taken to investigate the possession by officers of the line of operational documents in view of the fact that it is established military practice to keep such documents out of the hands of the enemy. The answer to this query was vague.

The story, I hear, is that these papers were "planted" for the express purpose of leading the Germans to believe we were going to open a western European front in 1942, thus adding to the camouflage of the North African expedition.

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CANADIANS MUST ACCEPT ALL NECESSARY SACRIFICES IN TRUE PATRIOTIC SPIRIT TO WIN WAR

All Classes of Citizens Must Benefit from Canada's Peace-time Economy

says F. H. MARSH, President of

THE BANK OF TORONTO

Bank has Provided Fullest Credit Facilities for War Production

The 87th Annual General Meeting of the Shareholders was held at the Head Office in Toronto on Wednesday, January 20th, when the President, F. H. Marsh, and the General Manager, B. S. Vanstone, addressed the shareholders.

THE PRESIDENT'S ADDRESS

Gentlemen:

The statement and report presented for your consideration discloses a strong and soundly liquid position.

The General Manager has commented in detail on the statement and operations of the year. The fact that total assets show a substantial gain and are today 53% greater than they were five years ago indicates continuous expansion of the Bank's business which you will agree, I am sure, is gratifying.

The circumstances under which we meet today are happier than were those of a year ago. At that time, Japan had just embarked upon her career of conquest while the European Axis was entrenched deep in Russia. Britain was grimly holding on while the United States was organizing a program of industrial and military expansion designed to turn the tide ultimately in favor of the united nations.

We now vividly realize the weight of the powers against which we have to contend, and the severity of the struggle which still lies before us. Nevertheless, the events of 1942 strengthen the belief that the final victory will be on our side. Indeed the year appears to have brought the real turning point in the war. Its earlier reverses, which were serious enough, have been offset by some successes, the most notable of which were the effective fight waged by the Russians and the accession of nearly all of North Africa. The closing weeks of the year saw the Axis not merely checkmated but actually on the defensive at most points. The United Nations have made net gains in the balance of power in the air, on the sea, and on land.

Behind the fighting fronts is a vast industrial machine which is well integrated and attuned to the war, and which is distributed throughout Great Britain, the United States, Russia, Canada and other allied countries. Civilian life is regimented for war purposes, but without actual hardship as yet in Canada. The closely related and difficult problem of war finance is being capably met.

War is the Main Issue

Under these conditions the customary type of survey dealing with production trends, capital development and the other complexities of normal life is hardly possible. The individual is no longer the arbiter of his own life, since at least one-half of our entire output is channelled into those products and services which are needed for the war. Even in respect to the remainder there is such a degree of regulation that he has little choice as to how he shall spend his money.

Through the use of nearly all plant facilities and the employment of all available workers we have reached a new gross in the national production, now estimated at the rate of about eight billion dollars per annum. On the whole we can view with pride the industrial achievement which is being brought to bear on the war front and which is also decently maintaining our civilian life.

Whether we can maintain such a rate of production after the war is another matter. In normal times there is no insatiable buyer. Instead, it is necessary for the seller to meet the buyer on terms satisfactory to each. The yardsticks of demand, price and cost must again come into play. But, having in mind the already obvious shortages of goods, the reconstruction needs and the new inventions or processes that are being developed during the war, we at least can anticipate that our economic life will be on a broader scale than formerly.

Wide Distribution of Employment and Income

Possibly the most striking feature of our war economy is the wide distribution of activity and purchasing power. There has been a process of levelling up through universal employment at liberal wages, while at the same time there has been a levelling down through regulation and taxation. This no doubt was inevitable. The principle of trying to get through the war, without either hardship on the one hand or profiteering on the other, is eminently just.

Yet we are already witnessing some limitations to this levelling process. Instances of slackening effort are occasionally met in every phase of production—in corporation policy and in the ranks of the white collar and professional workers as well as those at the factory bench. Nearly every producer sees that beyond a certain point taxation takes a rapidly increasing toll of his reward, leaving him a return which diminishes with each successive unit of effort and risk. For the average worker the percentages are substantial. For those in high income brackets the net gain becomes almost negligible. In the business which is subject to excess profits taxation, net gain is near the vanishing point, qualified by the credit of a small proportion which is to be refundable after the war.

Fortunately, the spirit of patriotic endeavor prevails. Sacrifices which come near to confiscation are being tolerated because it is recognized that all must bear a heavy burden, and that no economic policy in such an emergency can be perfect in respect to assessment of the costs.

Incentives Needed for Progress

While we are doing our utmost under these circumstances, we should at the same time take note of the lessons because of their bearing on our future. Canada is a land of opportunity, but its development depends upon adequate rewards and attractions to both labor and capital. The patriotic fervor of the war will not always be with us. The principle of taxation in accordance with ability to pay will undoubtedly stay. But any national policy which aspires to build up the country or even maintain it at its present level, must include dependable and worth-while incentives for those who are willing to work and to save beyond the average.

In these days of constant searching for post-war charters, platforms for political parties both old and new, and plans for corporate and individual policy, this point deserves more attention than appears to have been given it. The effort to better our condition is the mainspring of progress both individual and corporate, but it does not follow that we must break entirely from the past. Insofar as we do start afresh we must see that the essential factors for successful existence, prosperity and progress are included in our scheme of life.

Post-war Opportunities are in Sight

That there will be both needs and opportunities after the war is evident to the casual eye. Whole nations are already starving for the food which Canada can produce. The wheat surplus to which we have referred in recent years as a valuable though temporarily embarrassing asset, can disappear like magic when international trade is resumed. Large quantities of forest and mineral products will be needed to restore shattered Europe.

Apart from wheat, we will probably face these opportunities with shelves bare of merchandise. The situation will have to be remedied as quickly as possible, for even at the best of times mankind has little enough between itself and starvation. In this promising future Canada should have an important share, provided that her efficiency is not impaired by too many governmental controls or by an excess of ultra-radical ideas.

Likewise, we must avoid entanglements which disturb public confidence. As an example I may refer specifically to the matter of income tax obligations on account of past periods. Increasingly large numbers of citizens of all classes are voicing concern over the difficulties and in many cases the hardships arising from the present arrangement under which the taxes on individual incomes are collected long months after the income on which they apply has been received and disbursed. To have such obligations fall due in the time of unsettlement after the war, when the incomes of many people will be greatly reduced or entirely lacking, would be still more serious. The Ruml plan which has been receiving so much publicity, or some alternative suited to our Canadian conditions, deserves the closest attention on the part of our tax authorities.

Canada's Future Promising

May I conclude by expressing the utmost confidence in the future of Canada in relation to these prospective needs and opportunities, and in her ability to play an increasing part in the world's industry and commerce. Indeed our prospects may fairly be appraised as second to none. We are possibly far enough from the war to escape direct material damage, but we cannot escape the irreparable loss of many of our finest young men, the nation's most valuable asset.

While the winning of the war must continue to be the predominant thought in our mind, the real test for our democratic way of life will undoubtedly present itself when the war is over and we have achieved victory. It is the part of wisdom, in fact, it is a duty to the gallant men and women who are fighting for us that post-war plans be formulated now, having as their aim full employment, higher living standards and greater economic security for all. This challenges the best thought of our business and political leaders. It is encouraging to know that our Dominion Government has a strong committee of reconstruction actively working on post-war problems, one of the most important of which is providing profitable employment for all who are capable of working.

Due to the pressing demand for increasing quantities of war supplies during the past three years, Canada's industrial capacity has been greatly expanded not only by enlargement of existing plants and the erection of new ones, but by introduction of improved machinery and better methods of operation as well. These should be important factors in enabling us to sell our products at competitive prices in both foreign and domestic markets.

With her vast and only partially developed natural resources of power, agriculture, timber, gold, radium, nickel, iron and other base metals, Canada will occupy a unique and enviable place in the post-war economy. The responsibility for the development and distribution of these resources in a way that will allow all classes of Canadians to benefit equitably is great and must depend on capable, honestly-directed industrial enterprise working in harmony with efficient, loyal, well-paid labor, supplemented where necessary by Government assistance and wisely administered control.

The unselfish co-operation of management, labor and Government is essential to maximum success.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

The Eighty-Seventh annual statement submitted today covering the Bank's operations for the year ending November 30th, 1942, will, I believe, be accepted by you as satisfactory.

Profits

Our earnings, after making provision for all known or anticipated contingencies and the usual contribution of $150,000. to Officers' Pension Fund, were slightly higher than those of the previous year but an increase in Federal Taxes of $195,683. resulted in a reduction of $156,826. in net profits which amounted to $1,214,729. After writing off $250,000. against Bank Premises and paying regular dividends amounting to $600,000., there remained a balance of $364,729. to be added to Profit and Loss Account which now stands at $860,530., the sum of $2,000,000. having been transferred to Rest Account which now totals $12,000,000.

The increased rate of federal taxation in 1942 was applicable to only 5 months of our fiscal year and our taxes will undoubtedly be considerably higher in 1943, but we anticipate being able to meet them without requiring to reduce our usual dividend of 10% which is equal to 3.18% on shareholders' funds consisting of Capital, Rest, and Profit and Loss Accounts.

Total Assets

Total Assets, $215,636,066., are the highest in the history of the Bank and represent an increase of $33,410,-064. for the year, this being largely due to greater industrial activity and wartime financing.

Quick Assets consisting of cash or assets readily convertible into cash total $144,632,553.—equal to 73.55% of our liabilities to the public. Of this amount $31,318,016. is represented by Cash, Bank Balances (including our deposit with the Bank of Canada) and notes and cheques of other Banks.

This is a high percentage of readily available assets and indicates the strong liquid position of the Bank.

Securities

Our investment in securities totals $111,996,512—an increase of $36,356,-040.

Of this amount 95% consists of Dominion and Provincial issues. Those maturing within two years represent $63,113,719. of the total which is $30,-568,634. higher than a year ago. Those of a slightly longer date amount to $43,413,570., an increase of $6,529,773.

Municipal Securities at $1,905,853. are lower by $728,356. and other bonds, debentures and stocks at $3,-563,368. also show a small decrease.

Call Loans

Call Loans, $1,318,025., are higher by $171,250. There is still little demand for this type of loan.

Current Loans

Current Loans, $63,009,888., show an increase of $2,749,255. A substantial amount consists of loans to various industries engaged in the production of war material. We are also extending assistance to purchasers of Victory Loan Bonds and our grain loans continue at a high figure.

While our loans have shown consistent increases during the past few years, the percentage of loans to deposits is less than we would like and we welcome opportunities to extend credit facilities for the development of business both large and small.

Municipal Loans

Loans to Municipalities total $3,-001,444.—a decrease of $436,726.

The discontinuance of capital expenditures and the continued improvement in tax payments have enabled a large number of Municipalities not only to reduce their funded indebtedness but also to decrease their borrowings from the Banks for current expenditure.

Bank Premises

These now stand on our books at $2,969,822.—a decrease of $209,990., the appropriation of $250,000. accounting for this reduction.

During the year the erection of a new permanent office at Gaspe, Quebec, was completed and our office space enlarged at several other points, this being necessary to take care of increased volume.

Notes in Circulation

These amount to $2,242,719., a reduction of $738,250. Under the provisions of the Bank Act our circulation is now being reduced at the rate of 10% of our paid-up capital each year and for the year 1943 the maximum amount permitted is $2,700,000.

Deposits

Total Deposits, $190,367,333., show a very satisfactory increase of $33,-654,917.

Deposits from the Public amount to $154,833,592. consisting of:

Non-interest bearing deposits $61,-598,680.—an increase of $5,693,748.

Interest-bearing deposits $93,234,-911.—an increase of $3,444,574.

In view of the heavy withdrawals by the public for investment in the various Victory Loan issues, this may be regarded as a very satisfactory showing.

The Dominion Government deposit with us amounted to $33,610,410.—an increase of $24,409,201. This item in time of war is subject to wide fluctuation.

Deposits of Provincial Governments $1,923,330.—an increase of $107,393.

There is also one very valuable asset, an intangible one, which you will not find in the balance sheet. I refer to the ever-increasing good-will accumulated during the eighty-seven years of the Bank's existence which constitutes an important factor in the steady growth of our business.

Branches

In an effort to conserve manpower Canadian banks have closed 163 branches during the twelve months ending November 30th, 1942, and in conformity with this policy we have discontinued the following offices:—

Avenue Rd. & St. Germain Ave., Toronto.

Bloor St. & Howland Ave., Toronto.

College St. & Dovercourt Rd., Toronto.

Lansdowne.

London North.

London West.

Milton.

Mount Dennis.

On November 30th we had 167 branches.

Inspections

All branches of the Bank have been inspected by our Inspection officers during the year and the usual audit of cash, securities and loans at Head Office and the principal branches in Toronto, Montreal, Winnipeg and Vancouver has been made by the shareholders' auditors.

Staff

It affords me great pleasure to express our sincere appreciation of the splendid co-operation and consistently efficient work of our Staff during the past year. The senior officers have had greatly added responsibilities, not only because of the increased volume of business but also in the training and supervision of the younger members of the Staff, most of whom are girls who have been with us only a comparatively short time. The junior members of the Staff deserve special commendation for the splendid spirit in which they have approached their tasks and the competent manner in which they have discharged their duties.

At the present time we have a staff of 1,457, of whom 60% are women as compared with 20% at the commencement of the war.

Over 400 members of the staff are now serving in the Armed Forces. All are on leave of absence for the duration of the war and are assured of a position upon their return. Of these splendid young men, I deeply regret to report that six have made the supreme sacrifice and three are listed as missing.

In conclusion let me say that your Bank has assisted the war effort in every possible way. It has been our policy throughout to provide fullest credit facilities for those of our clients who are engaged in the production of war supplies, to do our share in Government financing and to participate in the distribution to the public of Victory Bonds, War Savings Certificates and Stamps as well as to perform numerous other services relating to wartime activities.

The success of the recent Third Victory Loan, when cash subscriptions reached the very large figure of $991,536,500. and over 2,000,000 subscribers participated, is praiseworthy. Such an immense sum could only have been raised as the result of the patriotic fervor of the Canadian people and a very efficient organization.

There will undoubtedly be further issues by the Government during the present year and it is absolutely essential that these be given full support by everyone. This will necessitate continued self-denial and sacrifice. We are confident that each Canadian citizen will do his part.

THE BANK OF TORONTO

Eighty-seventh Annual General Report

30th November, 1942

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1942, after providing $150,000.00 for Staff Pension Fund, $1,098,628.32 for Dominion Taxes (of which $60,453.10 is refundable under the provisions of the Excess Profits Tax Act) and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$ 1,214,729.98
Written off Bank Premises	250,000.00
	$ 964,729.98
Dividends at the rate of 10% per annum on the par value ($100.) of the shares	600,000.00
Balance of Profits carried forward	$ 364,729.98
Profit and Loss Balance 29th November, 1941	2,495,800.57
	$ 2,860,530.55
Transferred to Rest	2,000,000.00
Profit and Loss Balance 30th November, 1942	$ 860,530.55

ANNUAL BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 2,242,719.00
Deposits by and balances due to Dominion Government	$ 33,610,410.97	
Deposits by and balances due to Provincial Governments	1,923,330.29	
Deposits by the public not bearing interest	61,598,680.65	
Deposits by the public bearing interest, including interest accrued to date of statement	93,234,911.37	
		190,367,333.28
Deposits by and balances due to other chartered Banks in Canada	$ 112,636.20	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	2,146,497.49	
		2,259,133.69
Acceptances and Letters of Credit outstanding		1,755,870.45
		$196,625,056.42
Capital paid up	$ 6,000,000.00	
Rest	12,000,000.00	
Dividends declared and unpaid	150,479.31	
Balance of profits as per Profit and Loss Account	860,530.55	
		19,011,009.86
		$215,636,066.28

ASSETS

Gold coin held in Canada	$ 105.00	
Subsidiary coin held in Canada	310,633.99	
Notes of Bank of Canada	5,430,265.00	
Deposits with Bank of Canada	11,955,921.32	
Notes of other chartered banks	60,150.00	
Government and bank notes other than Canadian	67,627.10	
Cheques on other banks	10,423,389.16	
Due by banks and banking correspondents elsewhere than in Canada	3,069,924.50	
		$ 31,318,016.07
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	$ 63,113,719.52	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	43,413,570.00	
Canadian Municipal Securities, not exceeding market value	1,905,853.83	
Other Bonds, Debentures and Stocks, not exceeding market value	3,563,368.79	
	$111,996,512.14	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	1,318,025.00	
		113,314,537.14
		$144,632,553.21
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	$ 63,009,888.30	
Loans to cities, towns, municipalities and school districts	3,001,444.52	
Non-Current Loans, estimated loss provided for	12,925.60	
		66,024,258.42
		$210,656,811.63
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,755,870.45
Mortgages on Real Estate sold by the Bank		13,792.04
Bank Premises, at not more than cost, less amounts written off		2,969,822.82
Deposit with the Minister of Finance for the security of the note circulation		175,559.82
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes)		64,209.52
		$215,636,066.28

F. H. MARSH,
President.

B. S. VANSTONE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1942, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

TORONTO, 18th December, 1942.

FROM THE EDITOR'S CHAIR

For a Functioning Society

BY B. K. SANDWELL

I DO not think I am exaggerating when I call Peter F. Drucker's "The Future of Industrial Man" (Longmans Green, $3) the most penetrating light that has yet been shed upon the deep underlying evils in contemporary "Western" society which have made possible the present frightful divisions. It is no drawback to this book that it offers no ready-made remedy for those evils; it indicates clearly enough the direction in which such remedies are to be sought. There must be, says Mr. Drucker in the concluding chapter, "an attempt to develop something we have never had before: social institutions in industry." The phrase itself is inadequate, except to the reader who has gone through the book; it means much more than it sounds like. I propose to try in this limited space to convey at least a hint of what Mr. Drucker has in his mind, without being too unfair to him in the compression process.

His starting-point is that freedom is best guaranteed where there are two kinds of power each of which can act as a check on the other. In the modern Western world at its freest there was the political power, the state, and there was also the social power, which was essentially based on property. Both were legitimate, because both functioned in a way which gave general, though of course not universal, satisfaction. But property at that time consisted almost wholly of land and its appurtenances, in an agricultural society. The power of the landed proprietor in such a society is hedged about with responsibilities to the people on the land, and you get a structure of rights and responsibilities which, while obviously far from equalitarian, is at least reciprocal, and in which everybody has the assurance that he is there for some purpose and with some function.

Now, Industrial Property

But agriculture has ceased to be the basis of the present-day society, and land has ceased to be one of the more important forms of property; its ownership certainly confers no power. The important property of today is industrial property, giving to that term a sufficiently extensive meaning to include the great transportation systems. And this industrial property is operating a power system, based upon its property rights, which it has taken over from the old agricultural property and which is thoroughly unsuited to industrial conditions. And it is operating it only because the society, in its political organization, has failed to observe and understand the change in the nature of property and the consequent need for a change in the nature of property rights and responsibilities.

The differences between landed property and industrial property are vast and fundamental. The chief is that nature, in the shape of soil and climate, very largely determines the location of agricultural activity, whereas nature has only a minimum of influence upon the location of industrial activity. There are places where a given industrial operation *cannot* be carried on, but there will always remain an immense choice of places where it *can* be carried on with more or less equal facility. Agricultural activity is necessarily continuous, with only slight change from year to year. (Its discontinuity owing to price fluctuations in recent years is merely a byproduct of the discontinuity of industrial activity.) Industrial activity is susceptible of tremendous fluctuations. One consequence of these facts is that in a predominantly agricultural society the worker is reasonably integrated into the society, whereas in an industrial society as at present constituted he is sucked in and thrown out as readily as any other raw material, and cannot feel himself as possessing any true function in the society. This psychological rootlessness is Mr. Drucker's gravest indictment against the present state of affairs.

Capitalist Not Integrated

But even the capitalist is not integrated into this present society. The old, agricultural, property owner provided the controls under which the society (outside of its political activities) functioned, and did so with very definite responsibilities towards the other members of the society. The industrial property owner provides nothing but the capital. He exercises no control and wants to exercise no control. The limited company has made possible the divorce of ownership from responsibility. Such control as there is is exercised by the managerial class, whose ownership interest is relatively small. Mr. Drucker makes out a strong case in support of this view, which of course is not new, but is not yet fully accepted by the business world. He points out that the stockholder buys his stock with the hope of obtaining a somewhat higher return on the cost price than he could get elsewhere, but that if he fails to get that return he seldom makes any real effort to improve the management, contenting himself with getting out at the least possible loss and trying something else.

The most radical of all Mr. Drucker's conclusions on this subject is that the really effective power in this industrial society, the managerial power, is profoundly illegitimate. It "is derived from no one but from the managers themselves, controlled by nobody and nothing and responsible to no one. It is in the most literal sense unfounded, unjustified, uncontrolled and irresponsible power." And this power is where it is, in the hands of the manager class, not because they have stolen it, but because the stockholders have abdicated. If you want to test this theory, ask any stockholder you know—ask yourself if you can detach yourself sufficiently—whether he feels any moral responsibility for the conduct of the corporation in which he holds stock. Does he feel it his duty to know something of its relations with its employees, its raw material furnishers, or its clients or the general public—except in so far as any of these things may affect profits? The answer, if he is a truthful man, will be no. But on the other hand the managers of the same corporation, if they are truthful men, and are asked the same question, will reply that they consider their moral responsibility to be limited by the necessity of producing dividends for your friend the stockholder!

Caused 1929-33 Depression

This necessity of producing dividends and avoiding losses is, at bottom, what produced the depression of 1929-33. If it had been the primary moral duty of the managerial class to maintain employment they could have done so—it being remembered that if that had been the case it would also have been an accepted moral obligation of the workers to tolerate such reductions of wages as would have made continued employment possible. Neither of these conditions existed; we had a non-integrated industrial society; and we had the depression. In an agricultural society the duty—and the interest—of the possessors of power to maintain production and consequently employment would have been obvious and there would have been no depression. Pre-industrial society had famines, but it never had depressions.

The Russian and Nazi Revolutions both undertook to integrate the industrial society by destroying the power of property and reposing all power in the organized state. The Russians destroyed ownership itself; the Nazis left ownership and merely destroyed its rights of control, which it had already abdicated there as elsewhere, transferring them to organisms of the state or of the Party, which in the long run were about the same thing, being both under the personal direction of the Fuehrer. The result in both cases is the totalitarian state, the political power with no social power set up against it to keep it in check.

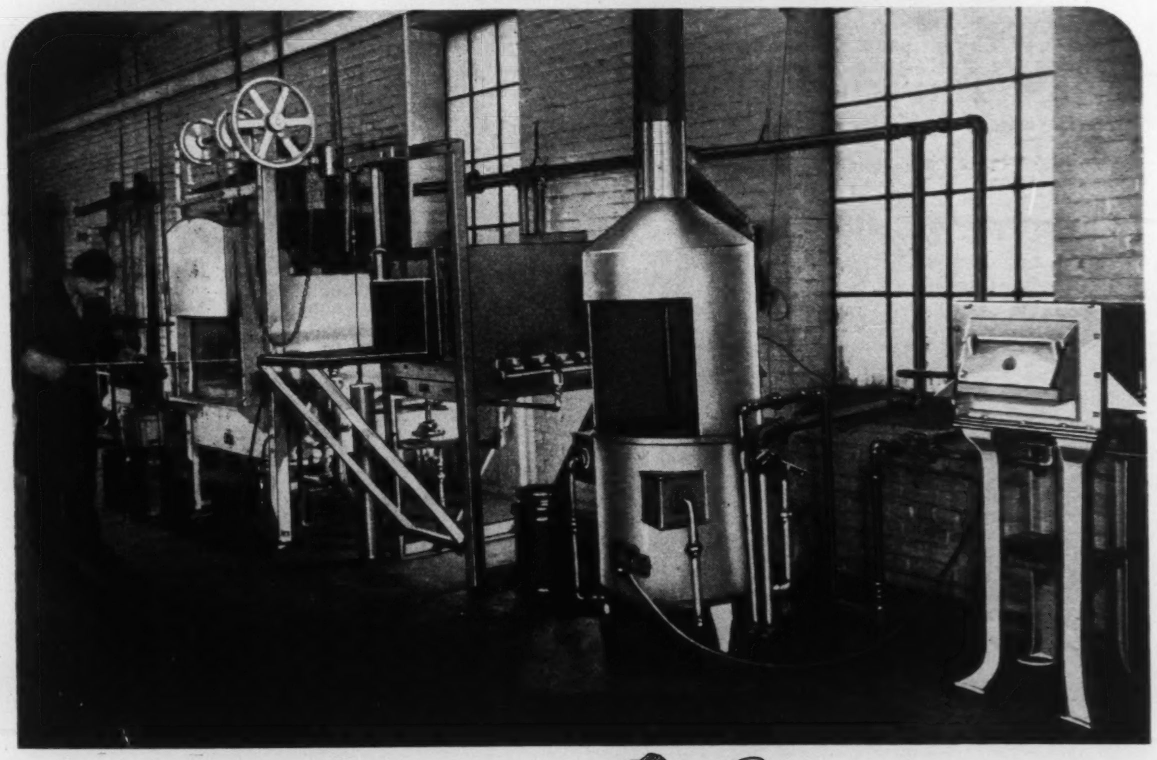
It is Mr. Drucker's hope that the democracies will succeed in effecting a relocation of the social power in the industrial society in such a way that it will become legitimate, will be responsible to the society as a whole, and will enjoy the confidence and support of the great body of the citizenry. That the society must be industrial he has no doubt. We cannot back away from the consequences of steam, electricity, chemistry and mass organization. There is no inherent reason why these consequences should in themselves be destructive to freedom or to men's sense of belonging to and functioning in a society of free men. But the society in which these consequences of modern science operate must be an integrated society, a society in which each element has functions, responsibility and rights. Functions, responsibility and rights are more important by far even than security; they are essential to man's self-respect, whereas security provides only for his living. A thousand Beveridge Reports can do nothing by themselves but make a man feel like a pensioner; what we want is a structure which will make him feel like a man.

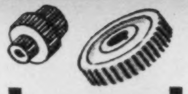
Trade Unions Not Remedy

Trade unionism by itself also offers no solution. The union is an organization *against* something; it is, in Mr. Drucker's words, an antibody. Any substantial power which it might come to operate in industry would be as illegitimate as that of the present managers, partly because the union members have already, like the stockholders, abdicated their functions in favor of their executive officers, and partly because the trade unions are by nature monopolies. To transfer to the unions the power now exercised by the managers would be merely to set up a less efficient and more dangerous and equally illegitimate power in place of the old one.

Principal James in a speech in Toronto not long ago spoke of the need that government, capital, management, credit and labor should all act together in the task of restoring our sadly battered economy when the war is over. They will have to do so if it is to be restored as a functioning social order and not as something operated from above by a government as supreme in the field of economics as in the field of law. But to act together as they will have to, they must come together with a realization that each has functions, rights and responsibilities, and must arrive at a pretty just estimate of what those functions, rights and responsibilities are. The stockholder must cease to be concerned about nothing but dividends, the worker about nothing but wages, the management about nothing but expanding the business in profitable times and cutting it down in unprofitable times. Have we men at the head of these various elements, wise enough, unselfish enough, courageous enough, to make this new society and give it a "legitimate" power and everybody in it a "legitimate" function?

GAS FURNACES





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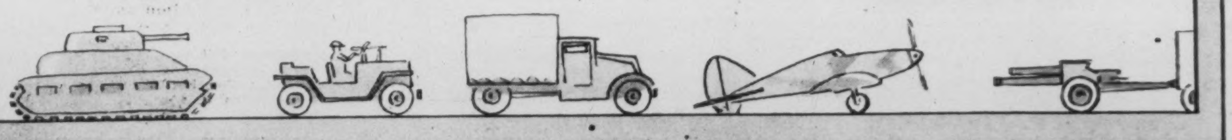

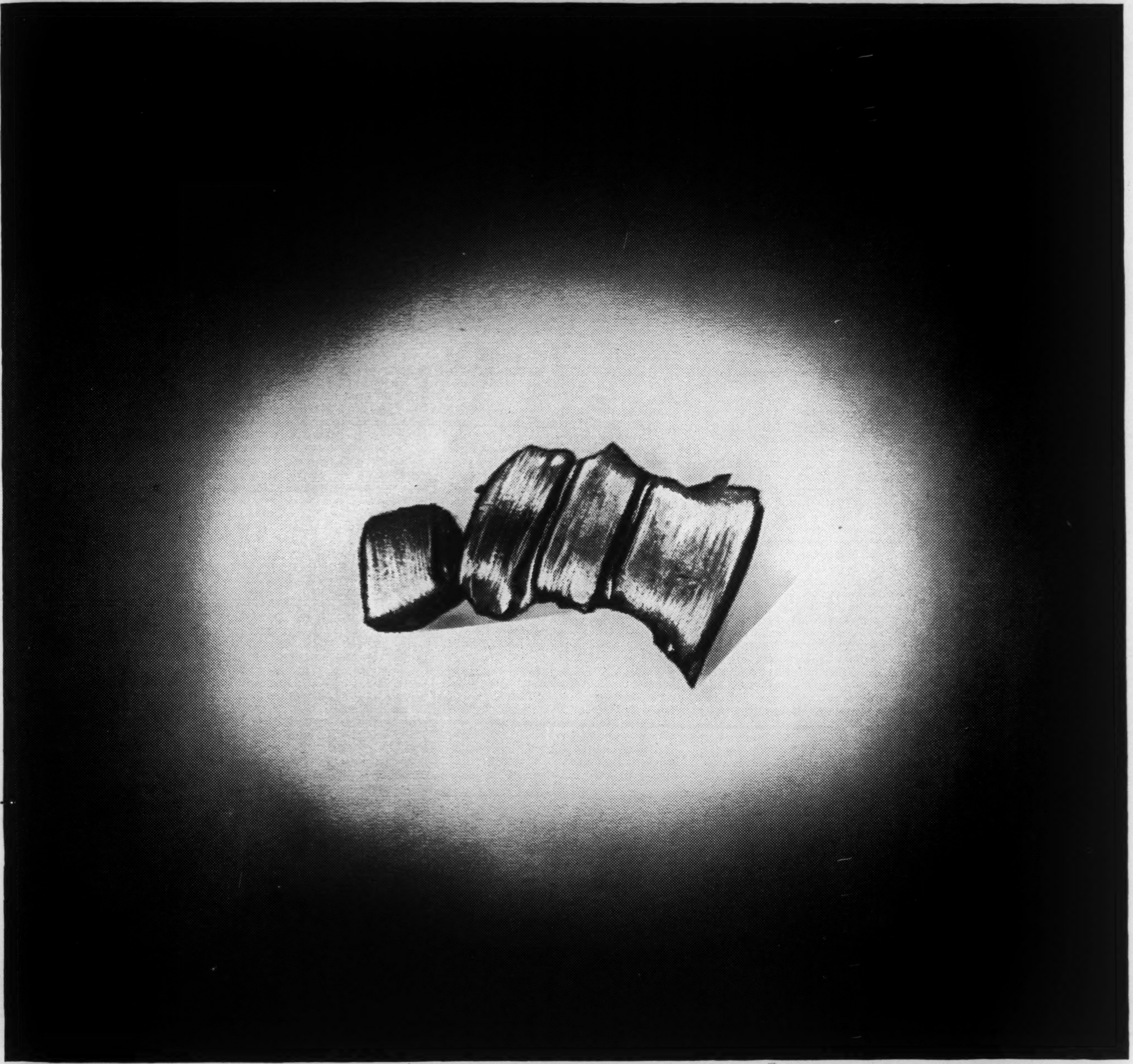

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THE HITLER WAR

Something Goebbels Can't Explain Away

BY WILLSON WOODSIDE

THE raids on Berlin were perfectly conceived to hammer home to the German people the disastrous developments in Russia, and the general turn in the whole tide of war. Goebbels may be able for a time to conceal a defeat in distant Egypt by saying that Rommel was "executing a brilliant strategical coup in redisposing his forces to the westward and exchanging the barren sands of the Western Desert for the fertile riches of Tunisia." He may, for a short time, disguise retreat in Russia behind the tricky terminology of "elastic defence", and "heavy defensive fighting."

But he can't conceal or shout down the explosion of our big new bombs on the German capital. To raid Berlin just at the moment when Goebbels has decided he cannot conceal events in Russia much longer, and has admitted the loss of Velikye Luki and the encirclement at Stalingrad (in order to clear the boards for Leningrad and other disasters to come), is an example of the kind of coalition warfare which we are now in a position to wage thoroughly, and with which we can hammer the Germans from now until they decide they have had enough.

That is only the psychological aspect. It is an extremely important aspect, however, in view of the peculiar German mentality. It is to be hoped that the raids on Berlin can be kept up from now on, in between raids on other centres, even if they are often on a small scale, for their harassing effect on the population. Kept worrying and sleepless in their cold basement shelters, brooding over their terrible losses in Russia, it would be strange if they didn't lose all faith in the government which promised that this sort of thing could never happen to *them*.

There is, besides, the purely military aspect. Large defence forces will be kept tied down, at Berlin and all across the country from the Channel. Large numbers of planes will be diverted to night fighter duty—the Germans are reported to be using one of their most useful bomber types, the Junkers 88, for this purpose now. Labor forces will be needed to clear the wreckage and repair houses, and others to reopen factories to make furniture and other household goods, as has been recently noted in German "Help Wanted" advertisements.

Workers, or their families, will flee the bombed area, reducing the efficiency of production in factories and government offices which are not themselves hit. Key industries, such as the giant Siemens electrical works in North Berlin, the Knorr Bremse, which supplies most of the air brakes for the railways of Europe, and some of the most famous machine tool factories in the world, which are located in Berlin (I know, because I have visited them) may be knocked out.

A Berlin Target

What a target the great buildings at Siemens would make! When I visited this world's greatest electrical works as correspondent for a Canadian engineering publication several years before the war it employed 70,000 workers.

It will, of course, take a very great bombing effort to knock out Berlin as an industrial and political centre. Being twice as far from our bomber bases as Cologne and Essen, our planes must carry twice the weight of gasoline and reduce their bombload accordingly. A little item buried in a recent copy of the *New York Times*, on the record of a Stirling bomber "H for Harry", gives some valuable information on this question. Designed for a maximum bomb load of 8½ tons (the newest Lancaster carries 9 tons), "H for Harry" dropped 240 tons on 62 flights, or just under 4 tons on the average. The flights averaged 850 miles each, or 425 miles each way. (Cologne is 275 miles from the nearest British bases, Berlin 550; but on large raids many bombers would operate from bases further inland in Britain).

It would seem from this that the biggest British bombers now in service would carry little more than 3 tons of bombs apiece to Berlin. If reports that some 4-ton bombs were dropped on the German capital are true, then that might have been achieved by trimming down on the gasoline allowance for "stooging" over the target and the extra allowance for getting safely home, and sending in the planes with the big block-busters when the target was well alight.

Such a calculation explains why no American bombers have been mentioned as taking part in raids on Berlin. If a Stirling or Lancaster will carry only 3-4 tons that far, then a Liberator, using the same amount of gasoline, requiring the same size crew, the same number of ground staff and the same amount of aerodrome space, would carry no more than 2 tons. Its maximum load is 4 tons, though the transport version of the Liberator, without bomb racks or armament, will carry 10 tons of freight on short hauls.

The Fortress, with a maximum load in the newer models of 3 tons, would carry little more than half of that to Berlin. In raiding Wake Island from Midway recently, the indications are that these big bombers only carried one ton of bombs each. The official account spoke of "dozens" of Fortresses making the raid; and a correspondent who was along noted that 78 half-ton bombs were carried. The distance was 1185 miles each way.

Nor can the Fortress stow the big British block-busting bombs, even if it could carry them to Berlin. Its bomb-doors are only 12 feet long, compared to the Lancaster's 30-foot doors, expressly designed for the big fellows. The reader may have noticed in photographs showing big bombs dropping from Fortresses that these are very short and fat. This is the reason.

The Fortresses and Liberators, however, with their very heavy defensive armament, their high ceiling and excellent bombsight, have a big role to play in daylight raiding. Doubtless as the season wears on they will be carrying the war into Western Germany by day, giving us real round-the-clock bombing power. They may yet raid Berlin by daylight.

Newer and more powerful American bombers are approaching production which will be ready for the bombing of Japan, if not in time to add their weight to the R.A.F.'s night bombing of Germany this spring and summer. These are the B-29, by the makers of the Fortress, and the B-32, by the makers of the Liberator. When the jealous and accurate British magazine *Aeroplane* admits that both of these new planes will have greater bomb capacity, speed and range than the Lancaster, this may be taken as the literal truth.

"Massive and Inexorable"

The situation in Russia, which makes the present bombing of Berlin so efficacious, continues to develop massively and inexorably into a great German disaster. An American correspondent writes from the Lower Don front that it is clear that the Germans haven't enough reserves to meet all the Russian thrusts, and that the great quantities of matériel which they are leaving behind in their hasty retreat is evident from aerial observation of the battlefield.

There appears to be no longer any need to qualify one's hopes of what the Soviets will achieve this winter by the reflection that last winter they started with a rush, too, but didn't show the finishing punch to take the German strong-points. Vaunted "hedgehogs" such as Velikye Luki and Schluesselburg, which held out last winter, and fortified camps such as that at Stalingrad, immensely stronger than the one which was long surrounded at Staraya Russa last winter, are being taken in fairly short order. Plainly the Russians have more powerful siege equipment and have learned lessons from last winter's failures.

They learned that encirclement is not enough, and having the artillery and tanks for heavier offensive warfare, as well as better-trained and equipped infantry, they are forcing things far harder and faster, in or-

Striking with a new offensive (1) towards Kharkov, and seizing Millerovo (3), the Russians have cleared the main railway from Voronezh south to Rossosh (2) and Kamensk. Pressing the annihilation of the Stalingrad pocket (6), they threaten the flank of the retreating German army of the Caucasus at (5) and at Rostov itself with a drive (4) down the Don.

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der to free forces which would otherwise be tied down in siege positions for a further development of the offensive. It may be that they are facing an opponent weaker in spirit this winter; but the German garrisons at Velikye Luki and Millerovo showed themselves willing to fight to the last man, and the Soviets nevertheless took those places, as they seem about to clean up the equally desperate resistance at Stalingrad.

Another very important factor, which played a large part in last winter's successful defence of encircled or closely invested positions, and which has altered this year, is the German ability to get supplies through by air transport. Before the capture of the last aerodrome available to the encircled Germans at Stalingrad, early this week, it was plain that the aerial supply system had almost completely broken down.

One reason for this was the shooting down, according to Moscow figures, of no less than 600 transport planes on the Stalingrad front since November 19.

The Junkers 52

Towards the end bombers were substituted for the 3-motored Junkers 52's, either because of a scarcity of the latter, the speed needed to avoid detection, or the longer range of the flights. The Junkers 52 is an essentially short-range plane, with a cruising speed of 185 miles an hour, and a maximum carrying capacity of 5½ tons of freight and gasoline. In this case, gasoline would probably have had to be carried for the round trip.

The Soviets have revealed the wording of the ultimatum presented to the Germans at Stalingrad on January 8, with its emphasis on air transport difficulties and the fact that the worst of the winter was yet to come, and its unusual offer to repatriate them to Germany or allow them to go to any other country of their choice after the war. (They might have said: "Any other country which will have you.") This is the background, therefore, for the spiritual tug-of-war which Goebbels has been carrying on, with his special beamed messages to the Stalingrad army, telling them first that the Fuehrer had not forgotten them, and then appealing to them to heed the call of duty and fight on "even though it might seem useless to them."

How far will the Russians get with their winter offensive? Is it possible that this is their real counter-offensive which they hope to keep rolling until the Germans are defeated? The leading German military commentator, General Dietmar, speaking on the home radio a week ago admitted that "the end cannot yet be foretold. There can be no doubt but that this Soviet counter-offensive is being carried out with the greatest concentration of forces, surpassing anything previously experienced, and with the greatest co-ordination of objectives. The weight of attack is far more concentrated than in the previous winter."

Decision in Russia

Several days later, by the time it became known that Schluesselburg would be lost, the *Boersen Zeitung*, which often speaks for the German General Staff, went so far as to declare categorically that "the outcome of the present fighting in the East cannot fail to have a decisive influence on the further course of the war." In other words, it admits that the war is being decided in Russia now.

The "co-ordination of objectives" noted by General Dietmar is an especially striking feature of the Soviet counter-offensive. The placing and timing of the follow-up blows, since the opening at Stalingrad on November 19, has been masterly, the credit for this, in the north as well as the south, now being given to Marshal Zhukov.

Apparently judging that Hitler would do almost anything to hold on to his dearly-bought position at Stalingrad and on the Volga, chief fruit of his whole summer's operation, Zhukov struck here first, drawing German reserves from Rostov to its relief. While Hitler was trying to save Stalingrad, Zhukov menaced Rostov; and while the Fuehrer has his hands full trying to save Rostov, the Russian master has now struck towards Kharkov, and further away, Smolensk and Leningrad.

The relief of Leningrad, besides providing further striking proof of Soviet offensive power in the reduction of one of the most famous of all German "hedgehogs", at Schleusselburg, is bound to have a great effect on the Finns. As they see the German left wing roll back (it never quite established contact with them, on either side of Lake Ladoga) must they not conclude that the game is lost, and try to make the best terms possible, through American and Swedish mediation?

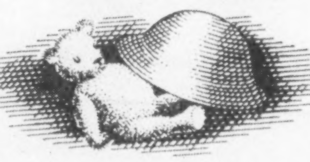
On this front, as on the Don, we may expect to see the *one-two-three* blows of a boxer, the second being struck from the Volkov front against Novgorod, and the third south of Lake Ilmen against Pskov. It is on this front and in the centre that British, American and Canadian arms are most likely to go into action, and these, together with Allied food and clothing supplies, may be running into Leningrad by now.

It is a big week indeed when a new offensive by the Eighth Army in Libya has to take third place in the news. At press time Montgomery's men are nearing Tripoli, and I suspect that the bulk of Rommel's force is well inside Tunisia. Here it may be expected to take up position in the Mareth Line of fortifications, just south of Gabès, which the French prepared before the war to protect Tunisia from an Italian attack.

Though Rommel is now estimated to have a total force of well over 100,000 men in Tunisia and Libya, he shouldn't be able to hold this long narrow bridgehead stretching from south of Gabès to Bizerta for more than a couple of months, against the forces we can bring up from the south and west. (He should never have been able to get into it, in view of the powerful forces which we landed two and a half months ago in Algeria.)

The Eighth Army will have just about spent its present offensive spurt by the time it travels 400 miles from the Wadi Zemzem to the Mareth Line, but with the port of Tripoli opened for its supply will soon recoil its springs for another effort. American forces hold the strategic centre and aerodrome of Gafsa, only 70 miles west of the Gabès-Sfax road, and well behind the Mareth position. The main body of the French fighting in Tunisia (not yet well-equipped or trained for modern warfare) stand outside Kairouan, about 30 miles from the sea at Sousse. And the British First Army, well-equipped and trained, but still inexperienced, stand at about the same distance from Tunis.

I Shall



We said goodbye to our son last night,
Our boy of the yesterday
Who used to come toddling up to us
To kiss his hurts away.
I was shaken a bit when he stooped down low
And kissed his mother's tear,
But I gripped his hand and smiled at him
And he didn't guess my fear.
"You'll take good care of her, won't you Dad?
She's precious to me you know;
It's the mothers, sweethearts, and homes we love
That make us want to go."

I was proud of my soldier son last night,
And thousands of others too
Who have pledged themselves in the spring of life
To see the battle through;
And I swore by the flag that I honour
And by our God Divine
I shall produce for Victory
Each working hour of mine.
This emblem I'm wearing so proudly
Burns deeply—a symbol bright,
Keeping the faith with those men of ours,
Leading them through the night!

If I should falter; if I should fail;
Who knows but the bitter cost
May mean a plane, or a ship at sea,
Or a hard fought battle lost!
The blood of a thousand men and one
May be spilt because of me.
I must give MORE than my "Nearly All"
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Will Party Truce in Ontario Benefit the C.C.F.?

BY VICTOR LAURISTON

History has its lessons. Mr. Lauriston, a veteran newspaper man of Chatham, Ont., remembers the events of 1919-20, and wonders whether they may not be duplicated in 1943-45.

The Liberal Opposition made a truce with the Conservative Government of Ontario in the last war, and in 1920 a Government of inexperienced men belonging to a new party took office. The Conservative Opposition is maintaining a truce with the Liberal Government of Ontario in this war. Who will take office after the next general election?

THE party truce in the Ontario Legislature, which has now lasted so long that some observers are beginning to fear for its effects on the democratic system, is not the first party truce in that province in wartime.

When the First World War broke out, the able and high-minded William Proudfoot was leader of the Liberal Opposition in Ontario. He announced a truce to party warfare, and his small following refrained from any serious criticism of the Government.

But the long-continued strains of the war created unrest throughout the province. Farmers in particular resented some of the war measures, notably the conscription of farmers' sons after they had been promised exemption. There were other dissatisfied groups. None of the dissatisfaction could find its outlet through the recognized Liberal Opposition owing to the truce, so it sought other means of expression.

This was a basic reason for the rise of the new groups which eventually secured temporary control of the Legislature. Labor became militantly political for the first time in history. The United Farmers of Ontario began nominating candidates for the expected general elections. In by-elections they carried Algoma and North Ontario.

Revolt Too Late

The danger was noted by powerful elements in the Opposition, which revolted, deposed the too pacific Proudfoot, and named Hartley Dewart as leader. The action came too late, however, to channel the public resentment back under the Liberal banner. The U.F.O.-Labor alliance secured a nominal majority in the Legislature, and the Hon. E. C. Drury formed a Government consisting of men who almost entirely lacked previous parliamentary or administrative experience.

Whether the Drury Government was as bad as the other parties have ever since declared has always been to my mind an unsettled question. Its intentions were assuredly good. But, after the fashion of inexperienced men, it did things instead of just talking about them. For example, its road policy took form, not in good roads speeches, but in hard-surfaced highways, some of which—because paving was still in the experimental era—turned out pretty bad.

But whatever calamities the Drury government brought to Ontario were unquestionably due to the parliamentary and administrative inexperience of its members. This was in turn due to the fact that the Proudfoot truce had led the disgruntled electorate to seek representation, not in an Opposition that included at least some experienced men, but in an Opposition of men entirely new to Parliament.

In the federal field, in the same period, the reverse held true. Laurier was beaten in the khaki election of 1917, but he kept a fighting Opposition in being—and an active parliamentary Opposition means more than criticisms. It means that public men in Parliament are, of necessity, familiarizing themselves with public business, and thus preparing themselves for government responsibilities when the electorate demands a change. So, when Meighen went out in 1921, experienced men were ready to take over.

Post-War Resentment

One questions if, at Queen's Park today, a replica of the Proudfoot truce may not be paving the way for a replica of the Drury government. Resentments, borne with a measure of patience while war lasts, will inevitably be unleashed when the war is over. Forgetful of the victory, the public will, inevitably, examine the price paid for it.

Here is where Colonel George A. Drew, with the beacon light of Proudfoot's tragic experience to guide him, seems to be repeating Proudfoot's performance. It may be that his interest in federal issues and his hopes of the federal leadership have left him little time for Ontario affairs. His willingness to concede the Government a truce from criticism is undoubtedly as sincere and patriotic in its inspiration as was Proudfoot's twenty-five years ago.

Ontario, though, is less interested in the high-minded motives for a course of political action or inaction, than in the possibly dangerous results. Deprived of a normal outlet through the official opposition at Toronto, will the resentful elements in the Ontario public find an outlet in the C.C.F.?

Just as an instance, take those deferred by-elections. Mitch Hepburn, when he decided to leave a lengthening string of constituencies unrepresented, probably gauged public opinion with his usual astuteness. A recent Gallup poll indicates that. The public in the constituencies still represented is saved its share of by-election expenses.

Unrepresented Electors

But what of the unrepresented electors? The Hepburn government refused them representation. The Drew Opposition voiced no criticism, nor did it use the means available to compel elections. As a result, the C.C.F. is today the only political organization fighting to secure for these vacant constituencies the representation to which they are entitled.

Are these constituencies going to forget? And are the represented constituencies, resentful on some other issues, going to remember that they were saved a trifle in by-election costs?

The fact stands, that the C.C.F. is the one political organization in Ontario voicing opposition. However unintelligently, unfairly or unjustly, it is at least articulate. It is functioning, in some fashion, where the Drew Opposition is not functioning at all.

It is easy not merely to urge but to believe that Colonel Drew's course is prompted by patriotic motives. It is easy and very natural to insist that Ontario has never voted for Socialism, and never, never, never will. Such wishful thinking ignores the fact, proven in 1919, that a resentful electorate, deprived of normal outlets, will find or create new outlets for its resentment.

Is it, or is it not, within the realm not merely of possibility but of probability that the Ontario political history at the close of the last Great War will shortly repeat itself? That the Drew Opposition, as a result of its failure to function, will find itself pushed aside? That a group of politically-untrained theorists will as a result of a popular upheaval find themselves in the driver's seat of a governmental mechanism with which they have had no opportunity to make themselves intimately familiar? That Ontario will find its affairs again administered by hopeful men unfamiliar with the work they are called to do?

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J. ALDERIC RAYMOND
PRESIDENT

142

THE LONDON LETTER

Plan "Meets Openly Needs Which Must Be Met"

(*Delayed*)

BY P. O'D.

EVERYBODY is still talking—and nearly everybody still writing, it seems—about the Beveridge Report. But it cannot be said that all the discussion has had much effect in bringing the different points of view much nearer together.

There are the diehards who would regard its adoption as a lethal blow struck at the sturdy independence of the national character, turning the people of these islands into a race of lotus-eaters. There are the extreme left-wingers for whom it is merely a step, though admittedly a long one, towards the Socialist paradise of their dreams, in which the State will do almost everything for almost everybody.

In between there is the large body of sensible, kindly, and moderate people, who feel that something more, even a good deal more than at present, must be done for the sick, the aged, the poor, for children and for the unemployed. They would like to see all these admirable recommendations put into effect at once—if only the country could afford it. Rather a formidable "if!"

Sir William Beveridge himself seems to have few doubts. In any case, he is quite certain that the effort to make the scheme work, or one on similar lines, must be made. As he sees it, the scheme is "only a means of redistributing the national income, so as to meet openly needs which must be met in some way."

In view of the immense cost of the Beveridge plan, the amazing thing is that it should have had so favorable a reception in the City, the financial centre of London. Either the City has had so many severe jolts of one kind and another as to have become practically shock-proof, or this may be taken as a sign that the finances of the plan are neither unsound nor revolutionary.

The opinion of the City seems clearly to be that the Beveridge plan can be made to work. This depends, however, on the general financial health of the nation being maintained, and on unemployment being kept down to some reasonable level. The astronomical figures for unemployment during the Great Depression would wreck almost any plan. Even the very much more modest Dole and social services of those days very nearly wrecked the credit of the country, as it was.

Basically the Beveridge plan is a vast scheme of insurance, with everyone obliged to contribute, and the benefits spread out as evenly as possible over the whole social surface. But no scheme of insurance will work, if nearly everyone stops contributing and takes to drawing out. The State would then have to shoulder the whole burden, or most of it. Not even in this country has the State a back so broad and so strong as would be needed for that.

What Parliament will do with the Beveridge Report, when it comes up for discussion, only a very knowing or very reckless man would care to prophesy—and I cannot claim to be either. But though the plan seems in for a considerable amount of whittling down, there is something immensely encouraging in the fact that a great scheme of social betterment of this sort could be formed in a nation engaged in a life-and-death struggle, and that it should have received so warm a welcome on all sides. Where else in this harassed world could it have happened?

New Histories Needed

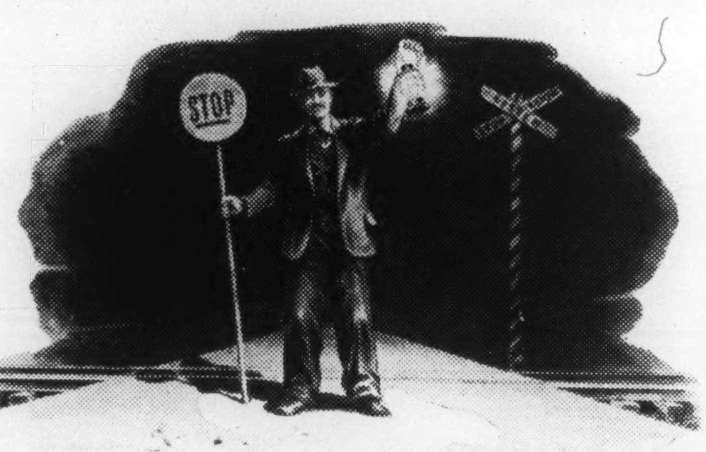
Jobs for historians! The Archbishop of Canterbury wants them to write a new history of America especially for Englishmen. And Mr. Brendan Bracken, the Minister of Information, wants them to write a new history of England especially for Americans. In this way it is hoped that people on both sides of the Atlantic will get a better idea of the other fellow's story—or at any rate get rid of some of the ideas that are not so.

The average American's knowledge of English history may be scanty, but, speaking from personal experience, I should say that it is encyclopaedic compared to the average Englishman's knowledge of American history. And not just the village yokel in the "pub," but the ordinary well-educated Englishman, who has done his three or four years at one or other of the universities. As the Archbishop of Canterbury pointed out, it may annoy Americans very much to discover that Englishmen burned their Capitol in 1841, but it must annoy them even more to discover that hardly anyone in England knows it was burned, or who burned it.

One of the minor compensations of war is that it is a great teacher of history and geography. As a result of the present comradeship in arms, it may be that Americans will learn a lot more about English history—after all, it is for a great many of them their own early history—and Englishmen may learn enough about American history to correct the somewhat prevalent idea that Americans, as the Archbishop of Canterbury put it, are "merely Englishmen who have diverged from the norm."

These and other interesting suggestions were made at a special dinner given in the Egyptian Hall of the Mansion House recently for Mr. Curtice Hitchcock, the American publisher, who has been sent over here by his government "to discover how Anglo-American relations may be extended and improved by an exchange of ideas through books." In itself an admirable idea!

50 YEARS OF PROTECTION



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J. F. McFadden, President

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(whose health category prevents him qualifying for war service)

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CANADA

MILITARY CALL-UP

Attention!

SINGLE MEN

A proclamation recently issued by His Excellency, the Governor-General, requires that every single man, born in any year from 1902 to 1923, both years inclusive, who has not already received a notice or order to report for medical examination under compulsory military service, must fill out a special form at the office of a Postmaster, a Registrar of a Mobilization Board or an Employment and Selective Service Officer not later than February 1st, 1943.

For this purpose the term "single man" also includes any male person who was a widower, or legally separated or divorced, and without a child or children dependent on him at July 15, 1940, or any such male person who has suffered the loss of his dependent child or children after that date; and any male person who, though married at July 15th, 1940, since that date became a widower, legally separated or divorced, and is now without a child or children dependent on him.

Please observe that single men who have received notices to report for medical examination under the military call-up and who have been examined as required, or men who are now in the Armed Forces, are NOT included in those to register by February 1st.

Penalties are provided for failure to register.

A. MacNAMARA
Director, National Selective Service, Ottawa

The House That Timothy Eaton Built

BY N. A. BENSON

Timothy Eaton was a common man who knew poverty and hated vanity and lies as every common man hates them. He knew what ninety per cent of the people were thinking. He was convinced that the strictest honesty of statement about his goods would bring satisfaction to his customers, and a still greater satisfaction to himself, for thus he would be in harmony with Methodist doctrine.

Success beyond his dreams came to him. But he stayed unspoiled, proud to be a common man, full brother to the humblest, in the store, and out.

Sir John, his son, as insistent as his father on this comradeship with the poor, brought the business to an enormous success, greatly aided by Mr. R. Y. Eaton, a financial administrator without parallel who in succeeding him never lost sight of the main idea.

Now comes John David, trained as a common man in accordance with the spirit of the store.

NEARLY seventy-five years ago, on the 8th of December, 1869, to be exact, there appeared a modest, single-column advertisement in the Toronto *GLOBE* of happy memory. This notice, hardly 200 lines deep, announced a "NEW DRY GOODS BUSINESS!" and it went on to say in very commendable prose that "T. Eaton & Co. have purchased from Mr. Jas. Jennings his entire stock of dry goods at a very considerable reduction from the cost price, which amounts to several thousand dollars, every dollar of which they propose to give to *those* customers who may favor them with their patronage."

Among other items the notice spoke of "staple haberdashery, sound goods, good style and good value, winceys, mourning goods, staples and flannels"—but what really made Toronto merchants of the progressive 'Sixties shake their heads knowingly over young Timothy Eaton's faddishness and apparent ignorance of merchandising was a single-sentence paragraph at the end. It read: "We propose to sell our goods for CASH only—In selling goods we have only one price."

In 1869 such an idea was rank heresy. Even more so was young Mr. Eaton's second announcement "Goods satisfactory or money refunded." Unorthodox as his methods seemed in 1869, Mr. Eaton believed, as Mr. Statler did, that the customer or guest was always right. Behind that axiom of two spectacularly successful men lay the deeper truth that if you don't make it your business to please your customer or guest, he won't be yours any longer.

Those merchandising ideas of Timothy Eaton's must have been wholly sound. He had one little store and three employees when he first put his new-fangled notions into practice shortly before the Red River Rebellion. And now, 73 years later, his grandson, John David Eaton, is president of an organization that has 32,000 employees and buildings with a floor space of over 90 acres in Toronto alone.

Yes, those ideas must have worked and kept on working for a period of three-quarters of a century. The fact that there is no ad worth so much as a wholly satisfied customer has been irrevocably proven. Millions of Eaton-satisfied customers have been the real foundation of that great commercial dynasty which is unique in the British Empire.

In 73 years the House of Eaton has had four chieftains—all of them Eatons. Timothy, the founder, from 1869 to 1907; Sir John, 1907-1922; R. Y., 1922-1942, and now Sir John's second son, John David, who was elected President on Dec. 9, 1942.

The election of the new president brings the third generation into the tradition of a great company. He becomes titular head of a vast business enterprise which is an essential factor in the prosperity of Toronto and part of the Dominion's business fabric. It is no exaggeration to say that no other single business has ever played so dominant a role in the lives of three generations of citizens in a flourishing city, as the T. Eaton Co. has done in Toronto. It is not incorrect to say that Timothy Eaton's great store grew along with and partly because of the expansion of Toronto.

Public's Goodwill

There are two other enormously important reasons for the company's growth, i.e., that for nearly 75 years Torontonians have felt very sincerely that Eaton's was a trustworthy and advantageous place to shop and a generous-minded place to work. The big store has always carried the unmistakable, undeviating good will of the public and its own staff.

Now that the tiny shop of 1869 has grown into the tremendous organization of today, it is interesting to go back and examine the highlights of its history. For companies are to some extent like men, and develop or fade according to their effort, luck and genuine vision.

To understand his basic merchandising principles, one must understand Timothy Eaton himself, and his early commercial background. Unlike most self-made men, he was no slave-driver—he did not believe, once he held a dominant position in life, in making his subordinates suffer in recompense for his own early struggles. Quite the reverse was true of the rugged Irishman from Ballymena.

Timothy was born in 1834 in the townland of Clogher in the County of Antrim. He knew thin and difficult days in Ireland as the youngest of nine children and he was born two months after his father's death. His only schooling came from one of the system of so-called National schools which he attended at Ballymena. As a lad of 14 he saw the worst of the Potato Rot. He was apprenticed to a marriage relative of his mother, a Mr. Smith, who kept a general store at the village of Portglenone on the River Bann. The Smith store was a university of hard labor. Its apprentice had a bed under the counter, took down the store's shutters at daybreak and put them up long after dark in the winter. His Saturday hours were from 5 a.m. till midnight, a scant 19-hour day. On Sundays he trudged ten miles to hear a Calvinistic sermon. Often his kindly employer drove by him on the road, but young Timothy never presumed to lift his eyes for a ride—and never got one.

It is said he made great headway at the store, and much against his employer's will, he did not finish out his apprenticeship. He had begun to have dreams and needed a bigger place than either Smith & Co.'s or the whole of Ireland to carry them out. Small wonder that the founder of Eaton's was dreaming of a new world, where in a big store he would not only transact a great business, but would treat his employees as fellow-creatures. His arduous life at Portglenone had toughened, but not soured or warped him.

Timothy Packed Up

Two of his brothers had left the Ould Sod of hard times for Canada earlier, so he packed up as many another young Irishman who left a stricken homeland where life was unbelievably hard, for a new world where all Irishmen believed life could be made better—and in view of what they were leaving for the then-wild and rugged land of opportunity, it was not a vain hope.

First he clerked at Glen Williams in Halton County. Then at Kirkton near St. Mary's he kept a small general store, bought farm produce and teamed it to London and St. Mary's. Physically vigorous and husky as were many of the Irish-Canadian stalwarts of that day, wrestling about big bags of wheat was no hardship to him. It was in this period that the strong-willed young storekeeper was converted to Methodism at a revival, and remained a pillar of that church until his death in 1907.

Next, about the time of Confederation, he and his brother James opened a store of larger size in St. Mary's. Here he met and married Margaret Wilson Beattie of Woodstock, who survived him by many years and died at the great age of 91. In St. Mary's the young storekeeper found his great millstones were the Barter System, the Credit System and Beating Down Prices. After many years of solid effort, he outgrew his environment, sold out and moved to an ampler field of operations—Tory Toronto of the latter 60's. It was a small city of banks and warehouses and true-blue mid-Victorian Tories. Yet young Mr. Eaton saw it as a future rich soil for bargain days and full-page advertisements!

December 8, 1869

Well north of the centre of the town which lay about the handsome St. Lawrence Market, he opened for business on a cold dry Wednesday, December 8, 1869. Its show windows and goods display did not single out the little store at 178 Yonge St., the south-west corner of the former military roads that intersected at Queen and Yonge. Oddly enough, the first Eaton store stood on the site of the main corner of what was to be Eaton's great rival, the Simpson store. Christmas was near, the public were in a buying mood. Prices were lower in the Eaton store and surprising big tags marked the ONE PRICE of every article. Cash payment was a mighty innovation when most Toronto stores gave accounts and collected quarterly — or when they could. Young Mr. Eaton had figured out a better two-way arrangement. In return for the compulsory satisfaction of his customers' cash, he placated them by guaranteeing them complete satisfaction or money refunded. He had felled his old foes—and where he kept store there were to be no more dickering, no credit and no barter.

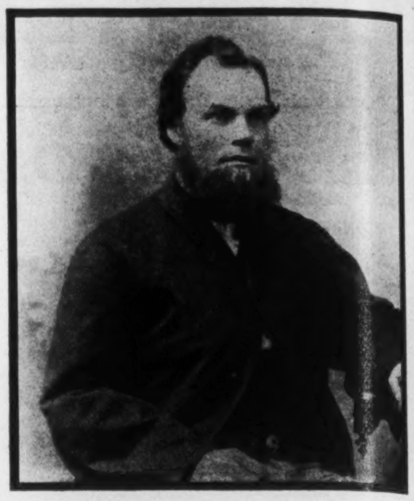
If he was satisfied, so were his customers. Reliability of merchandise and proven fair dealing justified the claim that "A Child Can Safely Shop in This Store." And so the priceless ingredients of a great business, public goodwill and trust were established long ago and have endured. The great Eaton enterprise was reared on the founder's accurate belief that Toronto—and Canada—did not mind paying cash for complete satisfaction. Store hours then were 8 a.m. to 10 p.m. and midnight on Saturdays.

Unbending Methodist

All his life Timothy remained a serious hard-shelled religious man. His Methodism was strict and unbending. He was severe in attitude, gruff and abrupt when occasion demanded it. The drawn shades over Eaton's windows that help deepen the gloom of downtown Toronto on Sundays were of Timothean origin. So, too, was Eaton's long refusal to deal in tobacco. For a long time the soothing weed was taboo in that ritzy and palatial luncheonette known as the Georgian Room.

Stern as the founder was, he was seldom harsh and inconsiderate. He felt that five and one-half days a week were enough for anyone to work. He considered that Saturday half-holiday essential to building up a reserve of energy to face a Sabbath intended to be exacting in its religious observances.

History tells that one Sunday morning long ago his elder son, E. Y. appeared late for the ceremonial breakfast. This was no mean offense, and Timothy sternly asked the reason. E. Y. replied that he had worked too late on Saturday night to rise betimes on Sunday. Thereupon his father announced even more emphatically his intention of putting an end to this noxious practice of working Saturday nights. The proper hal-



Timothy Eaton, genius in merchandising, strict Methodist, vigorous humanitarian. He did not believe his help should have to endure the killing hours he knew as an apprentice. It was he who began the great T. Eaton commercial empire of today.

Sir John, younger son of the founder and a most popular president. A prince of good fellows and a lover of life, he did much to disprove the unpopularity of very wealthy men.

Colonel R. Y. Eaton, 3rd president, nephew of Timothy who chose, trained him. Dependable and responsible, he quietly guided the store through two depressions to great popularity.

John David Eaton, new president and fourth of his line. No easy task, his, to follow and surpass achievements of grandfather, father and cousin through approaching post-war days.

"Great oaks from little acorns . . ." The familiar picture of the House that Timothy Eaton built, or rather, began. The first Eaton store was no hole-in-the-wall but an up-to-date, modern leader for its day, 1869. Most important and modern of all were the New Ideas that lay behind it.

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lowing of the Seventh Day was to the founder of Eaton's a task to be undertaken by men and women refreshed in body and free of soul.

In the early 70's Toronto began to grow and Eaton's grew with it. The store was extended in '76, and in 1883 the founder bought the Page Block at 190 Yonge, the present headquarters, took down the stores on it and built his new one with its "stoppers" of large single-paned windows. 1884 saw the first little Eaton mail order catalogue and Toronto's semi-centennial celebrations. Confidence in Eaton's was extending throughout Ontario. 1886 saw another building extension, installation of the first elevators, the rise of the founder's eldest son, Edward Young Eaton as a most able second lieutenant to his father—and the first really big Bargain Day. The latter arose picturesquely enough from Mr. Eaton seeing (and admiring greatly) a terrific crush of women milling over a greatly-reduced sale of raincoats. From then on the clearance of broken stock at week-ends became a popular and regular feature that helped crowd the store.

The Mail Order Department began with a woman and a boy. Today it has a staff of 2,140. 1886 saw the addition of a Queen Street section and there were 150 employees in all. On the evening of Sept. 29, 1899, the Queen's Own Band gave a concert to mark the installation of the electric lighting and the automatic cash systems. Nine years earlier the first Eaton manufacture (of whitewear) was done.

One of the greatest of Eaton dreams was to cut down the working hours, first abolishing open-Saturday nights, then the open-evenings in Christmas Week and Exhibition Week, then cutting the day hours to 5 o'clock and instituting the Saturday half-holiday.

Timothy had an uncanny insight into promising human material. Coming along in his wheeled chair to the men's wear department, he called the newly-appointed manager saying, "Mr. M., what do you know about men's wear?" The answer was fervent, almost agonized, for the young man had been picked out of another Department. "Mr. Eaton, I don't know a thing." The old man smiled. "Good! You'll learn."

Colorful Sir John

The store suffered a grievous blow in the death in 1900 of Edward Young Eaton at the early age of 37. He was first vice-president and was being trained to succeed his father, who had been crippled by a broken hip sustained when he was thrown from his buggy by a pair of high-spirited horses in Queen's Park. The old gentleman was a familiar figure to younger Canadians as he was wheeled about the great Store in his later days. An admirable statue of him in heroic proportions was later executed by a gentleman who is now a high executive of the company.

Showmanship that adds zest to sound and honest business principles has always been a cardinal feature of Eaton enterprise, and the most colorful of all Eaton leaders was Sir John, who succeeded his father in 1907. Sir John was a merchant prince in every sense of the word. He lived splendidly, entertained sumptuously, and was known everywhere as a prince of good fellows and one of the most generous and warm-hearted men imaginable.

The color in Sir John's personality began with his fawn-colored Newmarket coat and went all the way inside to his heart. Coming out of the store one day he saw an old woman peddling shoe-laces on the corner of Albert and James Streets. "Hello, mother, what do you want for these?" "They're five cents a pair, sir." He gave her a ten-dollar bill, saying, "Now run along home. We can't have a competitor established next door to us." He had none of his father's austerity and all of his integrity and capacity for creating and maintaining public confidence. His charities were generous in the extreme, and at the time of the Jubilee in 1919 he dreamt of bringing in his late father's great hope of a five-day week. This reform was ahead of its time in its field, for competition was destined to prevent its permanent adoption. Sir John's death in 1922 at the early age of 46 was perhaps the heaviest blow the company ever sustained. He was mourned in all walks of life and his funeral possibly the greatest his native city ever knew.

A few years before the untimely death of Eaton's most popular president, the rumour spread that the great Eaton commercial empire had been sold or was about to be sold, lock, stock and barrel to certain outside interests. Prominent outside concerns were mentioned as about to take over control. Speculation gathered impetus like a rolling ball. Suddenly and decisively Sir John spoke out: "I want it clearly understood by all that there isn't enough money in the world to buy my father's name!" The vehemence of his denial was ample proof that, severe and humourless at times though old Timothy may have been, he commanded enduring loyalty in his sons, employees and customers alike.

R. Y. Eaton, his cousin, took over and the company continued to prosper. In 1930 the great and luxurious College Street Store with its auditorium and other notable features came into being. He guided the store's destiny over the period of its most prosperous twenty years and he has now passed control along to the Founder's grandson.

John David Eaton

The new President of the great Eaton business empire is a stalwart, genial chap like his popular father. He looks not unlike a well-groomed older version of Orson Welles in size and stature. In accordance with his father's wishes he has learned the business from the ground up. He has been learning it since 1930. In Toronto and Winnipeg, in many a department he has shown himself an apt pupil in absorbing the multitudinous technique of the organization.

John David Eaton was born in 1909, two years after his founder-grandfather's death, and just ten years before the T. Eaton Co. celebrated its golden jubilee. He was educated at Trinity College School, Port Hope, and Stowe School and Cambridge University in England. He travelled extensively from one to another of the company's buying centres abroad. Returning to Canada in 1930, he was posted to the Winnipeg store where he learned the Western business first-hand.

In 1933 he married Miss Signy Stephenson of Winnipeg, and they have three sons. In that same year he returned to Toronto and continued his twelve-year inter-departmental study of the ramifications of the great company. On the retirement of his predecessor, Colonel R. Y., president for twenty years, John David succeeded to the post held with such distinction by his father for fifteen years. Incidentally, John David Eaton at 33 is two years older than his father, the late Sir John, who became president at 31.

The new president's acceptance speech was terse and to the point: "As for me, it has fallen to my lot to follow in the presidency of the company three very remarkable and outstanding men. I can only tell you that I shall endeavor with all earnestness to perform my responsibility in a manner worthy of the fine example set and the good traditions established by those who have presided before me." John David Eaton's job is no sinecure: his achievements will be compared with those of his grandfather who was a merchandising genius and master-organizer, and his father's, who had an unparalleled capacity for making people like him and getting things done, and Mr. R. Y.'s, who, though less colorful, has been one of the outstanding business leaders of his day, has guided the company through an amazing period of expansion, and has brought it triumphantly through two depressions during his tenure of office.

THE DAY AFTER VICTORY

WHEN THE WHISTLES BLOW and the bells ring, and we all join in the hilarious victory celebration—what shape will your plant, your product, be in, to meet the new conditions?

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Montreal Advertising Office: University Tower - - - United States Representatives: Ward-Griffith Inc.

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The PROTECTIVE ASSOCIATION OF CANADA
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WORLD OF SPORT

Winter, Summer, and All Round

BY KIMBALL McILROY

AMONG the public figures of the day who don't appear to know when they're beaten, the name of Henry Armstrong holds a high and honorable position. The only difference between Henry and most of the others is that Henry was once a great man. Henry held three professional boxing titles at one time. Most fighters experience considerable difficulty in holding one.

But as a boxer who doesn't know when he's beaten, Henry is not in any way unique. It is an occupational hazard of the game. The average fighter, particularly among the ones who get to the top, absorbs a spectacular beating some night and loudly announces to all who care to listen his permanent and final retirement from the ring. Everybody is impressed. The boxer starts up either a bar and / or a restaurant, for a while the place is full, and then come evil days. It turns out that the fighter has made "bad investments". For a year or so nothing is heard of him. And then some bright morning the fans read in the papers that the boy has yielded to the demands of an admiring public, has taken a look at the current crop of bums in his particular division without finding them good, and has decided to make what he euphemistically terms a comeback.

The comeback is almost invariably a bust. Only one exception comes to mind: Jimmy Braddock. And Jimmy came back not because of the demands of an adoring public but because of the demands of his stomach, which was empty at the time. Generally speaking, the tottering old-timer manages to push over a couple of tank artists, who as likely as not have been bought in advance, and then meets a nice strong boy some night who proceeds to plant him in Row C. If he sees the handwriting on the canvas at this stage of the game all is apt to be O.K. Usually he doesn't. He has a few more fights and gets his brains scrambled like what older readers will recall as an egg and winds up mumbling happily in a corner.

No, there is nothing exceptional in any way about Henry Armstrong's comeback, unless you would so count the fact that he has already won fourteen fights in it. Nor is there anything especially sinister about it until you probe around a bit and ferret out the mastermind behind the whole affair. This fine public figure turns out on close examination to be none other than that famous exponent of clean sport: Uncle Mike Jacobs, Honest Uncle Mike, Poor Uncle Mike who still can't understand why the government suspected anything phoney about that little loan transaction he had figured out for Joe Louis and Billy Conn.

Uncle Mike has made thousands of dollars out of boxing without ever feeling a blow struck in anything but anger. One might almost go so far as to say that Uncle Mike's prime interest in the game is the making of money. Uncle Mike is doing Henry Armstrong no good at all by encouraging his comeback. Henry is doing himself no good. And neither of them is doing the public any good.

THERE is current at the moment another of these little furors over certain ungentlemanly tactics in professional hockey. The fact that this time a prominent manager is stewing on the griddle is neither here nor there. But the fact that the papers are once more demanding that the league powers-that-be look into the matter is both here and there.

This column's viewpoint on this and associated matters has not changed in a long time. This column has always held that the rougher the game the more people will go to it. And the evidence in favor of this opinion is overwhelming. Any promoter knows that all he has to do is bill a coming fight as a grudge fight and the fans will storm his doors. This is not because they expect such a fight to be conducted on a high and gentlemanly plane. More hockey fans will go to see a "bad man" than a finely polished stick-handler any day of the week and twice on Sundays (in cities where they have hockey on Sundays). Anybody who says they won't has been reading the papers and not attending hockey games. Physical violence appeals as a thing of beauty not only to Bruno Mussolini. Babe Ruth drew vast throngs to Yankee Stadium and other stadia on the circuit not because of his lightness afoot but because there was a reasonable expectancy that he would whale the hell out of the ball.

These facts are well-known. There is every reason to believe that the league governors are fully aware of them. The puzzle, now as always, is why anyone takes the trouble to pretend that they are not so. This department is well aware of the vast difficulties involved in filling a column of newsprint, but it is just as easy to be pro something as con it.

A small prize is offered for the best solution.

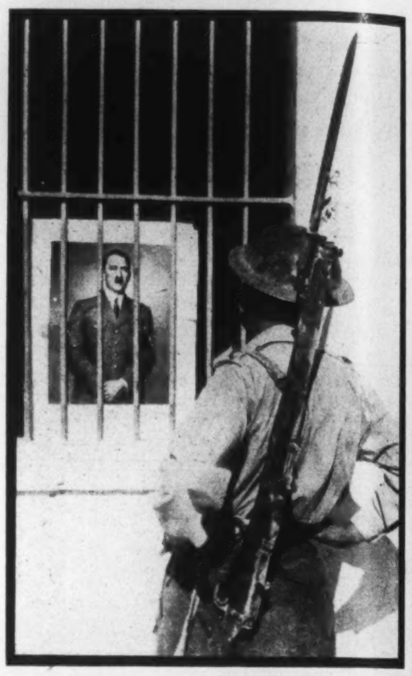
HORSE racing in Canada has been feebler than a hot tip pretty much since the war began, but tracks in the States are only really coming up against it now. They have found that with people unable to get to the track attendance falls off. A number of interesting proposals have been put forward with a view to alleviating the situation. Not the least interesting of these is that of Mayor Reeder of Miami, who has an inventive mind; Mayor Reeder suggests that absentee betting (bookmaking to you) be allowed in the downtown city and that bettors watch the races by television.

It is strongly suggested that Mayor Reeder be put to work developing a secret weapon.

THE inability of the major league ball clubs to go South for their spring training this year presents them with an extremely tough problem. This problem is not, as might be imagined, connected in any way with training or getting the players into shape. This can be done almost as effectively in their own parks, if necessary. The problem is rather that of getting the fans into shape. For years the clubs have transported large numbers of publicity men and sports writers to the southern camps, from whence in due course have emanated reams of publicity about the players, their wives, families, and chance acquaintances. By the time the season opened the fans were in good shape, ready to pay good money to view the wondermen dug up by a shrewd and baseball-wise management. Usually the season was pretty well over before disillusionment came.

This season it's going to be different. Near fields don't look so green. Photos of outfielders lolling frigidly on fences and smiling at pretty girls in fur coats are going to lose some of their appeal. Nothing much can prevent some of the fans from taking a run over to watch the million-dollar infield kicking the ball around.

It's going to be a tough year.



The shape of things to come? Obviously posed, but at the same time well illustrative of the British soldier's sense of humour, is this picture of a Tommy in a re-captured Libyan town admiring the sight of "the cause of it all" safely behind bars. The "bars" are those of a street window.

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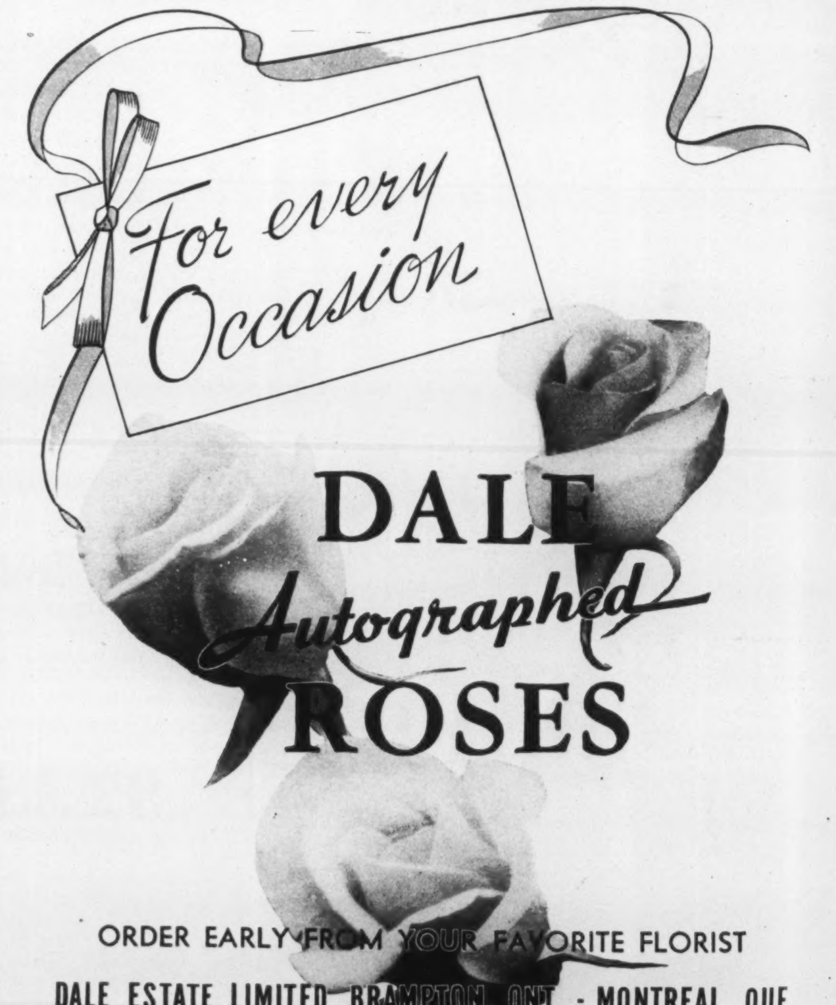

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Civilian Industry Too, Aids Mightily Canada's War Effort

BREWERS OF CANADA PLAY IMPORTANT PART

THE "non-war" industries of Canada today are making a very definite contribution, in many different ways, to the successful prosecution of the war. Not the least of this extra help for the war effort comes from the breweries of Canada, which, apart from their intrinsic value in helping to maintain the morale of civilians and fighting men alike, are making noteworthy direct contributions as well. Here, for example, are some of the things one Canadian brewery is doing to help win the war:

At John Labatt Limited, century-old brewing concern of London, Canada, all the usual ways of helping the war effort—Victory Bond and War Savings subscriptions, "backing" for the men in uniform, advertising in aid of war projects, and so on—were cheerfully undertaken by both management and employees . . . then they looked around for other ways to help.

TRAIN ARMY MECHANICS

In days of peace, a welcome sight to many a motorist in distress, were the huge streamlined transports of Labatt's, which never failed to offer practical help to a car in trouble. Behind these trucks was a highly efficient maintenance service and it was this service which suggested an important part of Labatt's extra war effort.

Back in 1941, arrangements were completed with the military authorities to operate in the Company garage a trade school for army motor mechanics, utilizing the facilities of the garage and the services of the Company's expert mechanics as instructors. Since then, seven classes of skilled mechanics have graduated from this school, and a great deal of mechanized equipment for the Army has been repaired and overhauled by the student mechanics.

MACHINE SHOP INSTALLED

Then Canada's "bits and pieces" programme offered an opportunity for a further contribution. Equipment for a complete machine shop was purchased and installed in the Company's garage. Employees of the Company's Hotel Service Division, released from their regular duties through restrictions on services, undertook an intensive course of machine shop training. Machines and men are now engaged in turning out a steady stream of materials for weapons of war.

CONSERVE RUBBER AND GAS

Months before restrictions were imposed on the use of trucks, Labatt's began transferring the bulk of its shipping from road to rail and, even now, are far ahead of the regulations in this respect. The mileage covered in the past six months is less than one-third of that covered in the same period of last year, and represents a saving of almost 9,000,000 tire miles.

ESSENTIAL INDUSTRY

The extension of its operations to provide these extra services has not affected materially the Company's chief contribution—the brewing and bottling of beer. The management and workers of this Company know that the present British Government, remembering the experience of Britain during the last war, regards brewing as an essential industry. Munitions production, it has been proved, is damaged if the working man is deprived of a reasonable supply of his beer.

A NEW CLASS OF ARMY MECHANICS

. . . arrives for a course of practical instruction in the Army Mechanics Trade School, carried on by John Labatt Limited since 1941 as a contribution to the war effort.

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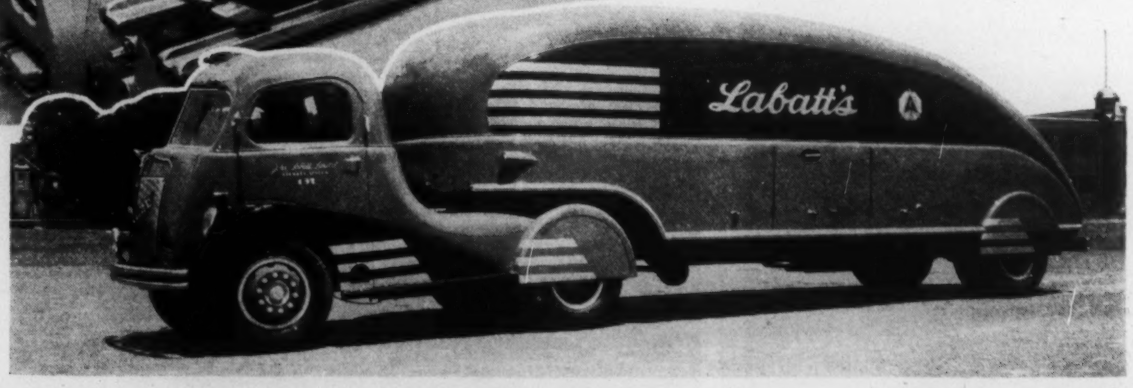

CONSERVING GAS AND TIRES

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THE BOOKSHELF

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All books mentioned in this issue, if not available at your bookseller's, may be purchased by postal or money order to "Saturday Night Book Service", 73 Richmond Street W., Toronto

Dream-thought of the Orient

THE WISDOM OF CHINA AND INDIA, Edited by Lin Yutang. (Macmillans, $4.95.)

TO ALL us stumblers in the part of the field of Philosophy we know, or have heard of, this book opens gates to other fields where we can stumble more often and get only half as far. But the experience still may do us good. Perhaps half as far is an overstatement. For the Western mind, accustomed to action as the rule of existence, the dream-state of the Orient is irritating, and even repugnant.

The editor has assembled an immense amount of material running to more than 1100 pages, but it is a most intelligent selection beginning, for India, with the noble Hymns from the *Rig Veda*, continuing with the *Upanishads*, the imaginative tales and the humor of short fables. He reprints Sir Edwin Arnold's long poem *The Light of Asia* as the best interpretation of Buddhism. For all of these divisions of the general Indian theme he provides careful and informing introductions.

While in India, he asserts, there is probably too much religion, in China there may have been too little.

Laotse's *Book of Tao* is in praise of non-action, non-resistance, the folly of learning, the wisdom of appearing foolish, the success of appearing to fail. It is the full art of camouflage as applied to human living. It is the aphorism "the meek shall inherit the earth," pushed to what the West calls absurdity, and what to the Orient is satisfaction. The prime glory of being let-alone is celebrated with an underlying humor which lightens every paradox. Economic *laissez-faire* is violence in comparison.

This philosophy with its later modifications by Confucius is the secret of China and Chinese customs. Our men of action bringing force to bear on their opponents may sputter at such notions, but let them count the empires which have arisen, flourished and disappeared while China has been conquering the ages.

There is a vast store of entertainment in this book, intelligently condensed and amiably explained.

"In China," says Lin Yutang, "No College professor can call a black-out 'a termination of illumination' and it is evident that we cannot build a systematic philosophy without this academic jargon. The Chinese scholar at once slips back into words like 'black-out' and proverbs and analogies, like Emerson. The Chinese philosopher is like a swimmer who dives but must soon come up to the surface again; the Western philosopher is like a swimmer who dives into the water, is proud that he never comes up to the surface again and is happy in his profundity."

Behind the humor is the serious fact that the Chinese thinkers of the past knew, like Whitman, that the complete explanation of even a blade of grass was beyond the powers of man. How much more, the mystery of human nature! Long before The Preacher of the Old Testament, the wise men of China were exclaiming "Vanity of vanities; all is vanity!" So these wise men concentrated on the Good Man and his relationships with his family and his neighbors. But there was no system in their thinking. On the other hand, there may be some justice in the charge that the Western approach is all system and but little thinking.

Mooning Through Life

AMERICAN IN SEARCH OF A WAY, by Walter Morris. (Macmillans, $3.00.)

LOOKING into a man's mind is difficult, if not impossible. If he speaks, he also is keeping silent about his baser thoughts. If he writes, who knows what fears and fixations inhibit him? His walk and his gestures are not completely natural, for conceit may straighten his shoulders or shyness may droop them. Every man is a mystery to every other. More than that, he is a mystery to himself. Introspection is not satisfactory, too many colored screens distort the view. Perhaps that may explain why psychologists often produce theories which life-experience contradicts.

The author of this strange but alluring book began early to examine himself and to record the examination in diaries. He was a normal boy, perhaps ten per cent prig, since he had taste and some facility in drawing and in writing poetry. In adolescence the priggishness was more abounding, since he was reading Schopenhauer and Emerson, formulating green judgments, writing poetry, kissing (and telling), but cursed with that devastating form of bone-laziness which prefers speculation to determined work.

He goes to College at Ann Arbor and is graduated at a time when jobs are hard to find. The more knowledge he absorbs the more he is inclined to transfer his mooning and moaning to the diary. He writes, and despises his work. The next day he praises it. Indecision is the flaw; poverty the handicap. Meanwhile he is exploring all the thinkers and theorists of past time, finding fault with them all, and working himself into a constant state of mental and spiritual indigestion—like Hamlet. At the same time the diary has flashes of understanding, glints of wisdom and the occasional sputter of an epigram, as when he speaks of "Wells's brickbat mind" or "the raw desolation that hangs over Detroit."

At last he returns to his birthplace, a small town in New York State, and gets a precarious mimeographing business. Meanwhile he wins the Hapgood Prize of $500 and writes, and writes, with only casual diligence and but little profit.

In politics he boxes the compass until he finds himself a Communist. The attempt of the leader-comrades to justify the Hitler-Stalin pact disillusions him. Then he's an isolationist, and at last, when the Japanese bomb Pearl Harbor he begins to see his way. He's in the Army now, doubtless finding in sharp discipline and resolute action the cure for a wandering mind and a corrective for the folly of trying to be a god capable of understanding all mysteries and all knowledge.

Things Various

AN ATLAS OF THE U.S.S.R., by Jasper H. Stembridge, and RADIO IN WARTIME, by Charles Siepmann. (Pamphlets of the series entitled "America in a World At War." (Oxford, 10c. each.)

NO WHERE else, we believe, are so many interesting and vital war-facts available as in these pamphlets. They are written by recognized authorities who know how to condense their information and still keep it alive with interest. The economic progress of Russia is revealed in sixteen maps and the uses of radio in long-range control of military forces on land, at sea, and in the air are clearly explained.

BEHIND BOTH LINES, by Harold Denny. (Macmillans, $3.25.)

WHEN Rommel put the reverse on the British advance from Egypt a year ago the author of this book who was a correspondent of the New York *Times* was taken prisoner. For six months he was in custody while awaiting his clearance as a non-belligerent. Save for a long questioning by the Gestapo, he was pretty well left alone to make lifelong friends among the British prisoners immured with him at Poppi in Northern Italy. Naturally the book is not sensational for the tedium of prison-camp is not a subject for rapturous reporting, but it is well-written which is to be expected and moderately interesting.

NIGHT SHIFT, by Maritta Wolff. (Macmillans, $3.25.)

RETICENCE is a feature of worthy and distinguished art. There's none of it here. Only one character commands sympathy, a poor woman whose husband is in the Asylum and who works like a bee to bring up her little family. Her brother is a dolt, one of her sisters is a torch-singer in a night club, selling her personality and her body to the highest bidder. The other is a nobody who is raped and tries to kill herself. She fails even in that. The dialogue is continually vicious, more vicious than necessary, even for the swine who are talking.

RIVER -BOTTOM BOY, by Harold Matthews. (Oxford, $3.00.)

A ROUGH, tough novel of a negro family brought to New Orleans in the hope of work and betterment, but overwhelmed by the floods of wickedness and cruelty.

FRANCE, 1715-1815, a Bibliography of historical materials in Cleveland, by John Hall Stewart, Assistant Professor of History, Western Reserve University. Published by the Western Reserve University Press at $5.00. Limited edition.

FOR students only, here is a list of over 5,000 titles covering every phase of French life and political activity.

Artist Goes South

SOUTHERN HARVEST, written and engraved by Clare Leighton. Quarto. (Macmillans, $4.00.)

EMINENT among the wood-engravers of this generation, some say chief of them, is Clare Leighton who makes black-and-white sing like a sonata. English by breed and training, romantic in temperament but realistic in her art, she has found in the negroes of the Deep South ideal subjects, not alone for picturing but for describing.

She writes with poetic enthusiasm —sometimes too lush—of corn-shucking, hog-killing, cotton-picking, of old mills, of the Southern Spring, of flood and high wind and the winter rain, illustrating each subject with a fluency of design and treatment that is most impressive.

Her affection for the negro people, so close to nature, so fervent and real in their religion and superstition, shines in all her work. For this reason her interpretation of the South is worthy and moving.

Clare Leighton, wood-engraver and essayist, whose new book "Southern Harvest" has a double attraction.

Technique by a Master of It

HOW TO WRITE, by Stephen Leacock. (Dodd, Mead, $3.00.)

MANUALS on the art of writing are like blueberries. There are plenty of them. They range from the stately to the cynical, from the stiff and collegiate to the raucous and rowdy. But it is doubtful if any one of them ever inspired a great novel or a noble poem. The reason is that their audience, generally speaking, is an audience of writers who learned to write by writing, and came through disappointments to their glory. Each has his own way, his own style, and reads the manuals either to justify his own manner, or to confirm his suspicions about the manner of others.

But Mr. Leacock (who is important enough to have the "Mr." omitted) is addressing the general public, rather than a group of starry-eyed youngsters yearning for fame. He is reviewing the way he writes; but he is doing more. He is conducting the finest lecture-course on English literature that has come this way. For first of all he insists that writing is thinking; that the man with nothing to say naturally won't say it, let alone write it. It is a detail that is too often overlooked.

Then he goes on to discuss formal grammar and usage, the sentence, the paragraph, the various ways of narration, the way *not* to write poetry, the springs of humor, always illustrating by joyous examples.

When discussing the collegian's bother about the split infinitive he splits a couple on purpose and shows that nothing has happened.

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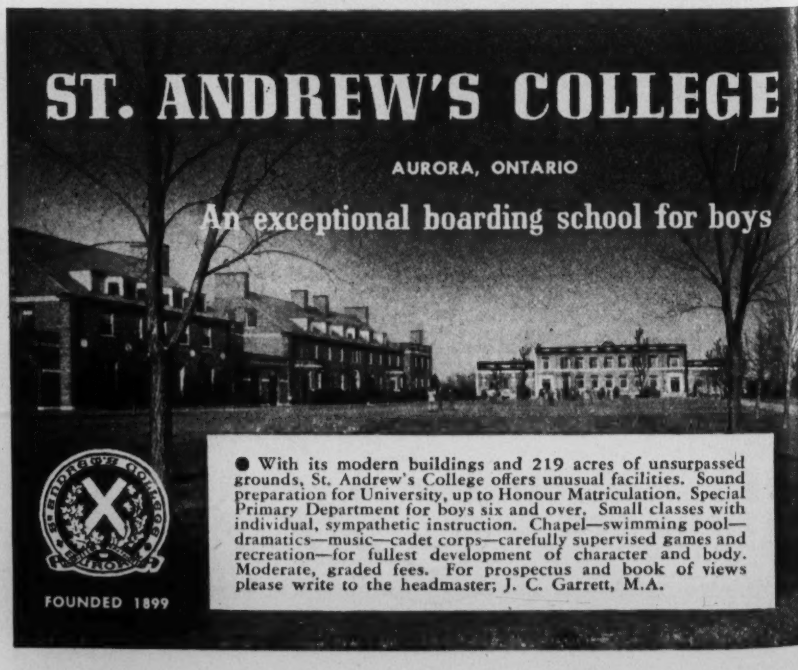

THE BOOKSHELF

Portrait of a Poet

WILFRED CAMPBELL, a Study in Late Provincial Victorianism, by Carl Frederick Klinck. (Ryerson, $3.00).

IF William Wilfred Campbell had had some glimmerings of humor either in his work or in his personality he would have been the better of it. He went through life completely sure of his powers as a seer and an interpreter, and while, for the most part, his contemporaries valued highly his talent and admired his lyrics, the first signs of adverse criticism offended him. So frequently was he insulted, when no insult was intended, that friendship with him was difficult. Surely a sublime self-confidence on the part of any literary worker is a gift of the wicked fairies, and should be balanced by a resolute thickening of the skin.

Now that Campbell is dead for twenty-five years, and one can speak freely, Prof. Klinck in this book reviews the stormy periods of intellectual doubt which drove the poet out of his profession as a clergyman and made him a minor clerk in the Civil Service, illustrating each phase of the progress by snatches of his verse, and explaining, as far as may be, the devil of unrest within him.

The author's conclusion is worth stating again. "Campbell was a choice provincial representative of that era which passed away with the Great War of 1914-18. The lowest estimate of him will indicate that he was not so much germinative as typical—one of the Imperialists, one of the anti-dilettantes, one of the literary pioneers of Ontario—a teacher rather than a creator, a spokesman rather than a philosopher. The highest estimate will indicate that he captured much beauty in the midst of the commonplace and that he wedded artistry to manly thought."

There is always a measure of dullness in any book of literary criticism unless it be savagely hostile or written in a flashing, epigrammatic style. This book is a schoolman's essay for schoolmen.

He Crossed the Street

—the Unexpected Happened

He never knew what hit him. Thousands of people, every day "play tag" with death or injury. They never give a moment's thought to the consequences of a knockdown until they wake up in the hospital and begin to wonder who will pay for the nurses and doctors and hospital expense. That worry is ours not yours, if you are foresighted enough to have the protection of a Continental Accident Policy. This is a safe, sound and liberal company to be protected by. Ask our agent about particulars, or if he calls, give it the serious consideration it deserves.

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An Occupation Tragedy

REPRISAL, a novel by Ethel Vance. (McClelland & Stewart, $3.00).

TWENTY hostages in Brittany are to be shot if the murderer of a German sergeant is not discovered within three days. The household of Andre Galle, formerly a Socialist Minister, but now a disillusioned, weak old man, is desperately affected. The people of the village accustomed to turn to Galle in their troubles are indignant at his lack of power to stop this hideous revenge. His daughter Francoise, in love with an American artist who has passed out of her life since the occupation, is sought by the opportunist, Edouard, once her father's secretary, but now close to the Vichy gang. Blaise, her brother, aged 18 is a furious patriot, continuously on the edge of danger.

His frequent absences at night lead his sister to the suspicion that he may be the murderer, but he is close-mouthed in her presence and particularly when Edouard is about. The butler of the household in his youth had been tried for murder, but his placid manner suggested that he was a good citizen now. The sense of horror and helplessness is sustained throughout and the tempo of the tale continually rises to the climax.

The striking thing about this novel is that the tale is told solely in the words and recollections and dreams, waking and sleeping, of Francoise. All other characters are subordinate. The effect of this consummate art is most uncommon. It's a notable story.

Without Classification

BY STEWART C. EASTON

THE YOUNG MATRIARCH, by G. B. Stern. (Macmillans. $3.25.)

TACEY CROMWELL, by Conrad Richter. (Ryersons. $2.50.)

DUST AND AMBER, by A. E. W. Mason. (McClelland & Stewart. $3.00.)

RETURN JOURNEY, by Beatrice Kean Seymour. (Macmillans. $3.00.)

SECOND VOYAGE TO LILLIPUT, by Harold Weston. (Collins, $2.75.)

BULKIEST on this week's list is G. B. Stern's new novel. No one can deny this author's fertility of invention, and she has created her own public by the very great sweat of her brow. I confess that family trees intimidate me, and I do not care for series of books, each introducing one or two new characters only, and filling in some more detail about the ones already known to the reader. Miss Stern's method of drawing character by the use of excessive verisimilitude does not attract me. Dotting all the i's and crossing all the t's is fun for the author, but dull for at least one reader. Moreover Miss Stern's mannerisms, especially her frequent unnecessary use of French words that could equally well have been given in English, irritate me. But I admit she knows her business, and she shows no signs of tiring. So there you are—*the Young Matriarch.* Take it or leave it.

Tacey Cromwell is a very short novel, but possesses none of the jewel-like qualities necessary for success in this field. The trouble with this book is the unreality of the first person who tells the story, a youth named Nugget. The whole story is a few excerpts from his life where it touched that of Tacey Cromwell, ex-prostitute, and dressmaker extraordinary. The method is the reverse of Miss Stern's, for Conrad Richter leaves everything to the reader's imagination to fill in. We might be willing to do this if our interest were sufficiently stimulated in the first place, by letting us have an insight into the motivations of this strange woman. But only the external life is told, and so we have nothing to go on, in our imaginative reconstruction. Not up to Mr. Richter's best standard.

Mrs. Kean Seymour has written many books, but she seems to have reached a static period in her development. At one time her work held promise, for it seemed to conceal more than it actually stated. Regretfully one is forced to believe that she cannot take advantage of the movements of the times which have galvanized so many English writers into greater life. *Return Journey* tells of Claudia who writes ghostly books and is shocked into reality by the war, and proceeds to write a vital human tale of evacuees. Mrs. Seymour's book is depressingly full of hindsight; all her characters perceive some of the external facts of the shape the war is to take long in advance of the majority of people. Such prescience is cheap to assume in the fourth year of the war, and does not remove the impression that Mrs. Seymour is only cruising upon the surface of the times, despite the excellent account of a few air raids. At an earlier day I thought her capable of more than this.

A. E. W. Mason has his own way of writing a thriller, and he has few peers. He is equally at home with a period story or a modern murder, and he can inveigle even the tired would-be sleeper into staying a while from his slumbers. The current story is about an English earl who is believed to be dead but lives to become Italy's greatest singer. He returns to England at the height of his popularity, determined to wreak vengeance upon his relatives who sought to murder him, and he makes instead the prescribed gesture of renunciation. Guaranteed not to convince, but to entertain.

Second Voyage to Lilliput has a lot of clever detached writing in it, and there is much that is amusing in this story of Paul Wyndham, an Australian card who becomes a British Lord. But it will be difficult for the ordinary mortal to read on account of the obscurity of much of Mr. Weston's writing. It will only be enjoyed by erudite persons who like mental gymnastics and verbal jugglery.

Considering the Mahatma

WHAT DOES GHANDI WANT? by T. A. Raman. (Oxford, $1.50.)

HERE is a chronological collection of the sayings of the Indian mystic and dreamer from January, 1939 to his arrest in May, 1942. Steadily, without variation or compromise, he has stated and re-stated his position, which may be summarized as follows; war is bestial and futile; therefore passive resistance to aggression is the only way to defeat it. Sympathy for the victims does not justify armed intervention for their support. As Bernard Shaw has said, "This is not a man; but a phenomenon." Meanwhile he has done nothing to solve the Hindu-Moslem conflict or to aid in the political advance of India towards Dominion status. The author concludes by saying that the tragedy of Ghandi is that he took the wrong turning. "Manoeuvring India into a state of helplessness will and does lead to bitterness and frustration."

SABOTAGE, The Secret War Against America, by Michael Sayers and Albert E. Kahn. (Musson, $3.00.)

ARSON, wreckage, theft, kidnapping and murder organized by Germany and Japan and carried out by resident or imported agents, all named, most of whom are now in jail, and some of whom have been executed! It's a horrible story.

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THE prospect of "something new to wear" is sufficient to put a gleam in the eyes of any woman—in or out of uniform. So those cheers you heard in all likelihood came from the ranks of the Women's Division of the Royal Canadian Air Force when the news broke about the new uniforms the girls are to have when the present ones wear out.

In the past the Air Force girls have been under some pretty severe sartorial handicaps for their uniforms have been the least attractive of all the women's services. That the girls managed to present as trim an appearance as they did is due more to the high average of good looks among them and their fine bearing than to what they wore.

WORLD OF WOMEN

"Something New --- Something Blue"

BY BERNICE COFFEY

The announcement concerning the new issue keeps us in the dark as to who is responsible for the new style but says that the new uniform was "planned and executed with the aid of Canada's foremost designers." Well, the boys—or girls—as the case may be, have done a handsome job that should please all hands.

The biggest transformation is in the cap. The old one looked like a cross between a muffin and a chef's hat but the new one is a honey. It fits down snugly over the back of the head and then swoops up in a rounded line to a high front over a deep visor. It's a style that promises to be becoming to nearly all types of features.

Changes in the uniform have been effected mostly by eliminations that result in smartening and streamlining the entire effect. Deeply pleated pockets have disappeared from the tunic in favor of false pockets at the top and patch pockets below. The belt is detachable for simpler adjustment to various waist-lengths, and the back is smoothly tailored in one piece. The skirt has six flat gores instead of a kick pleat for fullness. A pleat has been added aft of the greatcoat, however—a deep inverted one caught by a half belt at the back, and this is an improvement not only in warmth but appearance. Pockets are cut with diagonal lines and lapels have a higher flare.

The air-woman will have to part with most of her pockets, but she'll probably do it without a wrench because to take their place she will have restored to her woman's inalienable right to carry a purse. It's a blue leatherette shoulder bag "to be carried on the left side, its strap crossing from the right." The fact that she will carry her belongings here instead of distributed about her person in various pockets will help out in the streamlining process.

The new summer uniform will be identical in style except that it will be made of a light weight khaki.

We are told that the average life of a uniform is about a year and that a new issue is about due. However, the old ones will continue to be worn as long as they are in satisfactory condition—which should bring pleasure, unmerited perhaps, to the girls who are "hard on their clothes."

Color, material, and insignia are practically unchanged but the new and smarter uniform requires less material than the old.

"There Isn't Any More"

The usual run of stories about the domestic help situation concern the hard fact summed up in the phrase immortalized by Ethel Barrymore—"That's all there is. There isn't any more." But a new twist was added to the old story by a family which shall be nameless. Their problem was that they had A Jewel who showed not the least sign of any desire to leave for greener fields. The family was completely satisfied and, what was more important, so was The Jewel. And so she became something of a phenomenon in what had become a district of maidless households. So much of a phenomenon that the family began to feel unpleasantly conspicuous among the less fortunate neighbors.

So they talked it over with their Jewel, whom they liked so much, and the upshot was that the man of the house found her a job in his own business. Now she drives downtown with him in the morning and returns with him at night. She still occupies her attractive room. And when The Family want to go out in the evening, she arranges to be on hand to look after the six-year-old who rates her very high in his affections.

Latest report is that everyone is completely satisfied with the arrangement—including the neighbors.

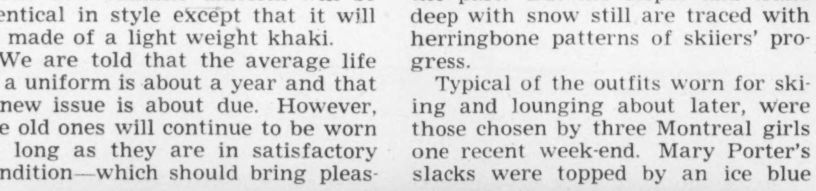
Track!

Ski train specials, along with unlimited sugar and butter and three-inch hems on dresses, are things of the past. But the slopes and trails deep with snow still are traced with herringbone patterns of skiiers' progress.

Typical of the outfits worn for skiing and lounging about later, were those chosen by three Montreal girls one recent week-end. Mary Porter's slacks were topped by an ice blue windbreaker designed by Hannes Schneider, and her mitts were of white weather-proofed poplin. No danger of a search party having to be sent out for her if she wanders off the trail for her blue kerchief has a map of the Laurentians printed on it to show her the way home. For lounge wear at the end of the day, she wears navy flannel slacks and a jacket of scarlet rabbit's hair with a navy printed scarf. And her felt-soled shoes are decked out with knitted tops and velvet toe caps.

The black gabardine suit worn by Joan Patterson when she takes off down the trail has a jacket brightened with red embroidery. She relaxes after the day's sport in a grey flannel slack suit with paddy green silk blouse.

The attractive English suit of green wool with scarlet trim worn by the third member of the trio, Alma McFarlane, makes an effective color scheme against snowy backgrounds. Or she can reverse the jacket to scarlet with green trim. With it she wears a red suede jockey style cap and a heart-shaped belt bag.



Streamlined for service and saving—the new uniform of the R.C.A.F. (Women's Division). Outstanding change is new cap, fitting head at the back. Tunic has false upper pockets, skirt tailored in six-gore style.

BE RARIN' TO GO

Tomorrow

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1/2 cup corn syrup*	1 cup flour
1 egg	1/2 teaspoon salt
1 cup Kellogg's All-Bran	2 1/2 teaspoons baking powder

Cream shortening and corn syrup thoroughly; add egg and beat well. Stir in All-Bran and milk; let soak until most of moisture is taken up. Sift flour with salt and baking powder; add to first mixture and stir only until flour disappears. Fill in greased muffin pans two-thirds full and bake in moderately hot oven (400° F.) about 30 minutes.

Yield: 8 large muffins (3 inches in diameter) or 12 small muffins (2¼ inches in diameter).

*Note: ¼ cup sugar may be substituted for corn syrup and milk increased to ¾ cup.

When sour milk or buttermilk is used instead of sweet milk, reduce baking powder to one teaspoon and add ½ teaspoon soda.

You'll love these ALL-BRAN muffins...the distinctive texture, the better flavor... that cannot be achieved with just ordinary bran. You'll cheer, too, for the way the regular use of ALL-BRAN keeps you free from the common type of constipation due to the lack of the right kind of "bulk" in the diet. ALL-BRAN gets at the cause and corrects it.

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"Now we must all buy More War Savings Certificates"

WORLD OF WOMEN

Canada's Civilian Casualties

BY ANNE FROMER

THE war has brought death to women and babies in Canada as surely as it killed them in Britain and Holland and China. In the year just ended, 1,000 women died in the Dominion during childbirth, and nearly 5,000 babes died almost as soon as they were born. The war is not to blame for all of these deaths, but war conditions are responsible for almost the entire margin—and to physicians and social workers it is an alarming margin—by which the needless deaths of mothers in 1942 exceeded the figures of the four previous years.

Canada is headed towards an unenviable record in the matter of death associated with birth, and her record as a matter of fact, has never been very good compared with that of other nations. A study published by the Dominion Bureau of Statistics reveals that Canada had the highest maternal mortality rate of 14 leading civilized countries, including peacetime rates in countries of Europe now overrun by the Nazis—nearly twice as high as France and England, more than 25 per cent higher than Holland, New Zealand, Norway, and Denmark, Eire and Sweden, and considerably higher than Britain, South Africa (whites) and the United States. The same was true of infant mortality compared with 11 other countries—actually 19 per cent higher than the United States, despite the absence of a "Negro problem" and vast poverty-stricken areas of the south.

Seven Out of Ten

Yet the authorities admit that seven out of ten women who die in childbirth do so needlessly. And the war has aggravated this situation to an even more critical point.

Why is Canada's infant and maternal mortality rate so high? And why has the war sent it even higher? Here are the facts: Canada has never had provision for adequate care of mothers and unborn babies, even in peacetime, and the emergency demand for doctors, nurses, and social services caused by the war has made these inadequate facilities even more inadequate.

But the war has also increased the demand for maternal care. Marriages have soared, and with them, births. For every six babies born in the last prewar year in Canada, ten are born today. But for every 10 doctors available to expectant mothers in that last year of peace, only seven are available today.

Wanting these babies, needing this increasing birthrate in her national scheme of things, Canada is rapidly coming face to face with a mother-and-baby crisis that must be solved despite growing difficulties in the allocation of her medical and nursing personnel among other groups that claim immediate priorities—the armed forces and the armies of war workers. Even in peace time 20,000 Canadian women every year gave birth to children without medical aid, and many thousands more went through the perilous and delicate period leading up to motherhood without once seeing a physician.

Doctors—Not Money

The time when poverty was the chief factor in inadequate prenatal care—when 25 per cent of the people of Canada depended on free medical attention for the maintenance of their health, is past. In this fourth year of war, money is no longer the most important factor, especially in rural and semi-rural areas. There simply are not the doctors to go around, and today there are many mothers-to-be who, accustomed to be able to afford "everything of the best" in the way of pre-natal care, now find themselves part of Canada's big maternal health problem.

Heavy enlistment of doctors has brought about a near crisis in medical services, public and private. Some areas are entirely without doctors, others have so few remaining that they are unable to cope with the demands on them—and the medical procurement board at Ottawa has to find 800 more doctors for the armed forces by next spring.

An Emergency Service

The resulting strain on existing public health services has been tremendous, and these facilities never were designed to operate as an overall health service, but only to spring into action for what was known as an "emergency" in peace time. It is not generally realized that a typical M.O.H. is not paid to "maintain" the health of a community. As Dr. J. T. Phair, chief medical officer of health for Ontario in charge of maternal welfare, puts it, "there is no health program as such in urban or small rural communities. The local health set-up is formed to function only in the face of disaster. The health officer is paid on this basis. If he presumes to do anything preventative in character he does it without remuneration and apparently on his own authority."

Public medicine in Canada is on a "local option" basis. Probably the most backward of all federal services, the dominion government's maternal and child welfare service, exists as an advisory organization only, a body for gathering and disseminating information on the subject, for publicizing and popularizing knowledge of the need for prenatal, natal, and post-natal care. Twice a year the federal division sponsors a meeting with provincial public health bodies, at which it presents problems to be solved.

The Local Board

The provincial health department comes little closer to the fundamental needs of health, to bringing doctor and nurse into contact with the patient. In Ontario, for example, the department's chief function, as explained by Dr. Phair, is "directed mainly at getting municipal departments to assume the responsibility of maternal and child welfare through their official set-up, or to see that they get people to do the work."

In other words, it boils down to this: Despite elaborate federal and provincial departments, public health service in Canada is no better than its local board of health makes it.

What local boards have made it is indicated in a Canadian national committee for mental hygiene report issued shortly before the outbreak of the war: It is that in Ontario only 10 municipalities had a full-time M.O.H., and only 75 communities—cities, towns, villages and townships—had some type of full-time nursing service, including services which were restricted to schools and did not reach the public at all. Only one-third the population were in areas where there were adequate public medical services, no more than one-half within reach of adequate nursing service.

In Alberta there were only five full-time medical officers for the entire province—serving 218,000 population of the 773,000. In N.S. at the time of the report, there was not a single full-time M.O.H., and only 11 field public health nurses. Later a health unit was created for Cape Breton island.

Health—$2.50

The picture over Canada as a whole can best be seen by taking the sums of money various municipalities spend on their citizens' health, including pre-natal care for mothers, and comparing them with what should be spent. In his survey, sponsored by the Commonwealth Fund, I. V. Hiscock states that $2.50 should be the annual per capita expenditure on public health, exclusive of general hospitalization, garbage collection, etc. On this basis, Halifax was spending only 10 cents of its health dollar, Victoria 31 cents, Vancouver 17, Calgary 16, Edmonton 18, Regina 32, Saskatoon 28, Winnipeg 22, Windsor 17, Hamilton 33, London 13, Toronto, highest of all, 48 cents, Ottawa 17½, Montreal 17½, Quebec 21 and St. John 18 cents. The average Canadian city was spending only 20 cents of its "ideal health dollar".

As a result of inadequate organization and indifference, much of the "slack" must be taken up by voluntary, semi-charity organizations. Outstanding work in maternal and infant welfare is being done by bodies such as the Victorian Order of Nurses, which receives its financial support only in part from provincial and municipal grants, insurance company allowances, and patient fees, and must depend on such haphazard sources as local drives, raffles, and bridge games. Only one of four patients the V.O.N. attends can afford the full fee of $1 per visit.

Proper care has a magical effect on maternal mortality. In one large Canadian city where the general maternal death rate was 2.7 per 1000 births, the rate among patients served by the V.O.N. was only 1.6. This comparison is particularly significant when it is realized that the average patient of the V.O.N. is below average financially, and indicates clearly that there is nothing wrong with Canada's infant and maternal death rate that proper medical and nursing care will not cure.

However, the V.O.N. is a comparatively small organization. There are only 94 branches in Canada's 301 urban centres, and the demand for V.O.N. services has reached new highs everywhere. On the average, every nurse will have to make 100 more visits annually to keep up with the demand for her services.

"Circuit Riders"

Moreover, it is the policy of the V.O.N. not to visit except under a doctor's direction, and there are hundreds of communities where there simply is no doctor in residence. These are, for the most part, rural communities, largely dependent on doctors who "ride the circuit". There is no other health organization, and when their doctors are called up or enlist, the area is left without health care of any kind. Sole exception is Quebec, which, with its abnormally high birth rate, found it necessary to introduce rural health units, with the co-operation of the provincial department of health.

Public health nurses tour the towns and villages of Quebec, and their coming is advertised in the local press and by the parish priest. They hold comprehensive lectures, invariably well attended, at which the practical details of pre-natal and post-natal care are stressed.

Diet, garments, needed supplies, how to prepare the bed for home confinement are taught. Fathers attend in large numbers, learn how to make furniture for the baby, how to bathe and feed and dress their new-born son or daughter. Strangely enough, grandmothers form a considerable part of every audience.

As a result of the work of these units, which are hardly elaborate or ideal, rural Quebec last year showed a definite drop in maternal and infant mortality.

Rationed Medical Aid

Canada cannot afford to allow the present state of affairs to continue. There is evidence that medical services, medical men, may come under dominion government control. As Dr. Phair sees it: "If the smaller community is to continue to exercise the privilege of local public health autonomy, it is necessary that the local board take full advantage of its authority as a corporation to implement a constructive community program, or it will undoubtedly have to give way to a larger unit of administration."

Indications are that Ottawa is preparing to step into the breech, survey the entire nation's medical shortcomings, co-ordinate this with the medical needs of the armed forces, and install a "rationing" or "priorities" system of medical and nursing care according to the needs of each community.

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MUSICAL EVENTS

Rubinstein in Works Old and New

BY HECTOR CHARLESWORTH

ARTUR RUBINSTEIN can make the unique boast that he is a pianist who was discovered by a violinist. The violinist was the greatest of his day, Joseph Joachim, who fifty years ago found in Lodz, Poland, a very little child, whose musical aptitude so impressed him that he took charge of his education. The child's aptitudes as he developed were for the piano rather than the violin, and in his 'teens he was pupil of two famous pianists, the Scotsman (Glasgow) Eugene d'Albert, and the Pole, Theodor Leschetizky. As pupil of the latter he is one of an amazing fellowship which included Paderewski, Gabrilowitsch, Mark Hambourg, Moiseiwitsch, Essipoff, Fanny Bloomfield—Zeisler, Katherine Goodson, and Ethel Leginska.

Years ago there used to be much talk in musical circles of a "Leschetizky method" which produced marvelous results, but the teacher disclaimed any fixed "method." His system like that of the great violin instructor Auer was to study the needs of each pupil individually. In technique he made a close analysis of muscular movements, and in interpretation he demanded intense concentration on detail. The latter characteristic is apparent in Artur Rubinstein's pianism today. He was endowed by nature with nervous force and powerful muscles that enable him to perform prodigious technical feats, as in the transcription of Falla's "Ritual Fire Dance," which the public of today insists on wherever he appears.

The tremendous vogue of Rubinstein, emphasized in Toronto by yearly visits during the past five years that never fail to rouse enthusiasm, has in the main been based on admiration of his physical prowess. But at Eaton Auditorium last week one noted the development of a poetic appeal and intimacy that made most of his interpretations more enjoyable and distinguished than in the past. He has come into his own at a time when older lions of the keyboard who dominated the scene when he was young, are dead or in retirement. He has nothing more to reveal in physical prowess and his art seems to be entering on the reflective phase.

His principal number last week gave him a much greater opportunity to show the breadth and depth of his art than his "Fire Dance" stunt. It was the enthralling Sonata Appassionata, opus 54 of Beethoven. Time was when the habitual concert goer heard this classic three or four times a year, but in recent seasons it has been less frequently rendered. One was all the more grateful that Rubinstein should have revived a work that provides scope for the full gamut of pianistic technique, and at the same time offers infinite possibilities in the field of emotional and reflective utterance. The rendering was so mature and dignified, and so brilliant in execution, that one enjoyed Mr. Rubinstein more than in any other extended work he has played here. From the very first bar the Sonata is touched with a quality of mystery, and at one time writers sought esoteric meanings in it. The problem of its "message" arose even in the composer's own time. When questioned he merely said "Read Shakespeare's 'Tempest'," and left it at that. It was an illuminative suggestion, for in the stormy first movement there are suggestions both of bitterness of Caliban and the philosophy of Prospero; in the Andante there is love—music for Ferdinand and Miranda; the Finale suggests the ethereal speed and graces of Ariel. Apart from his power, the touch of Rubinstein has always been expressive in a wide degree. He played the tragic passages with majesty, the Andante with moving tenderness and the concluding Rondo with indescribable clarity and lightness.

The pianist's ability to contrast storm and tranquility in a beautiful way was again exemplified in the Brahms Rhapsody, opus 79, No. 1, and the intimate appeal of his present style in short numbers like two Brahms Intermezzi, a Chopin Nocturne, Ravel's exquisite "Noctuelles" and the Valse "Oubliée" of Liszt.

The program contained a haunting little number composed by Karol Rathaus in memory of Paderewski, entitled "Kujawiak." Like the rest of the audience I did not know what the word meant, but resolved to find out. It is a dance in three-in-a-measure time indigenous to the province of Kujavien, Poland, almost identical with the Mazurka, which hails from the province of Mazovia.

VARIOUS NOTES

A young refugee with a long experience as a solo violinist in Holland and in England, will be heard in recital at Eaton Auditorium, Toronto, on Monday evening January 25. His program, with Frances Marr at the piano will include two famous Concertos, the Brahms D Minor and the Bruch. He is now living in Toronto and studying with a famous artist, Kathleen Parlow. He is Gerhard Kander.

Last week at the Toronto Symphony Orchestra's concert for Secondary Schools, I found myself listening with intentness to works long familiar simply because of the concentrated interest of two thousand or more 'teen age musical enthusiasts. The reason is no doubt psychological; it is impossible to remain inattentive when one's neighbors are so concentrated, and I am told that Sir Ernest MacMillan and the members of the orchestra find the eager attention of the listeners at these concerts a tonic. The overture to "The Secret of Suzanne," Bizet's "Suite L'Arlesienne, No. 1" and Rimsky Korsakoff's "Scheherazade" Suite, are an old story, but just listening more carefully I discovered details to which I had been deaf. Of course the admonitions of the conductor as to what to listen for, were a help. Until he mentioned it I had never noticed that there is a saxophone solo in the Bizet suite, perhaps the earliest composed for a symphonic work. All who like to see youth triumph over difficulties must have been delighted with Betty Ann Fisher's fervent, finished and confident rendering of Max Bruch's tuneful Concerto in G minor. The beauty of Miss Fisher's tone was revealed in the lovely Adagio, and to those who know the difficulty she has had in adapting her hands to violin technique, her finesse with the left hand was amazing.

Mount Allison University, Sackville, N.B. is now an active music centre with a wide influence. It has a string orchestra under the direction of Clayton Hare, a gifted violinist, born in St. Catharines, but trained in London, England. The calibre of the organization is best demonstrated by the fact that it recently played Benjamin Britten's Symphony for Strings. Britten is certainly no tame Canary as a composer, yet the attempt was successful. Other numbers included Strauss' "Tales of the Vienna Woods" and a Bach Chorale.

This is Portia White, the great Canadian Negro singer, as seen by Grant Macdonald, who specializes on drawing actors and singers. Miss White sang in Toronto this week, and will appear in Ottawa recitals next week.

Gerhard Kander, eminent violinist who will be heard in recital at Eaton Auditorium, Toronto, January 25.

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BY MARY LOWREY ROSS

"I CAN'T get over it!" Miss A. said, "Imagine Mr. Miniver growling and cursing and forgetting to shave himself!"

I opened my eyes again with an effort. Young Langford had just come on the screen, very starched and smiling, saying "Hot, isn't it? Blahsted hot. I suppose I won't mind once I'm acclimatized." . . "I was just waiting for that phrase," moaned Walter Pidgeon, crouched over his whiskey bottle in the corner. And presently, there was Hedy Lamarr, rolling her eyes, swaying her hips, and saying to Young Langford, "I am Tondelayo. You Tondelayo's awayi. Tondelayo make tiffin for her awayi."

"What's she saying?" I asked, "and what was the matter with Walter Pidgeon?"

"Sh-h!" said the lady in front.

"It's the Congo," Miss A. said impatiently, "Effect of life in the Congo."

I shut my eyes again and settled back. "Well let me know when something happens," I said.

"Sh-h!" the lady in front said again.

Miss A. said in a fierce whisper. "I paid to see 'White Cargo' and you're paid to watch it. You might at least stay awake."

"Sh-ush!" added the lady in front.

"I can't stay awake," I whispered back fretfully, "and I can't even go to sleep with everybody sh-ushing."

"Sh-ush!" Miss A. said and returned to the screen.

Anne Brown, eminent negro soprano to be heard in recital at Massey Hall, Toronto, Wednesday, January 27.

Dorothy McGuire, who appears in the gay comedy "Claudia" which comes to the Royal Alexandra Theatre, Toronto, for week beginning January 25.

The next time I looked Tondelayo was saying urgently, "Tondelayo love silk, Tondelayo love bangles. Tondelayo make tiffin." There seemed to be a slight growth in the stubble on Young Langford's chin but beyond that nothing had advanced noticeably. The most striking thing about "White Cargo" I decided, was that whenever you looked at it you had the feeling that this was where you came in. And presently I made another discovery. When a girl in a lurong or a sarong offers to make tiffin, she doesn't mean oolong. I tried to convey this to Miss A.

"What was that?" she said irritably.

"Ancient wisdom of the East," I said, and the lady in front got up and changed seats.

I DRIFTED off again but I could still hear Tondelayo urging, "Tondelayo love bangles. Tondelayo love Awyla. Awyla beat Tondelayo." Beat her, Awyla, beat Tondelayo eight to the bar. But Awyla didn't beat Tondelayo. When I opened my eyes again Tondelayo, bored by so much gentlemanliness was trying to poison young Mr. Langford.

"Something's h a p p e n i n g now," Miss A. said excitedly, as Walter Pidgeon, once more the man of action, strode over and briskly and efficiently poisoned Tondelayo with her own brew. Then Young Langford was carried out, toes up, by native bearers, the black man's burden returning to civilization. And in a moment a new young man appeared in the Company Office, starched and smiling, saying sunnily, "Hot, isn't it? Blahsted hot-"

"This is where we came in," I said. The background music was beginning to work towards a recessional, and Miss A. felt under the seat for her gloves. "I wouldn't expect you to like it," she said.

"I don't mind it," I said, "It's all right once you get acclimatized." And Mr. Pidgeon, striking his forehead, said bitterly from the screen, "I was waiting for that phrase!"

"Of course you missed the whole point," Miss A. said later. "Do you mind if I take your sugar? Thanks. 'White Cargo' isn't meant to be an action-film. It's a deliberate and brooding study in degeneration. . . The trouble with you is you aren't susceptible to the terrible logic of destiny."

"The trouble with me," I said after a moment's thought, "Is that I'd really prefer to see my characters go to hell in a hack. It's over quicker."

"NOW, VOYAGER" in its original context sounded a challenging Whitmanesque note. As borrowed by Olive Higgins Prouty it becomes merely bossy, and inspirational in the word's most deplorable sense. The Voyager here is Bette Davis, who enters the story as a neurotic middle-aged frump with thick eyebrows, thick glasses, thick cotton stockings. Psychiatry and Love work the expected miracle. Psychiatrist Claude Rains rescues her from her ruthless Beacon Hill mother (Gladys Cooper) and sends her off on a luxury cruise. Love (Paul Henreid) does the rest. Among the lessons taught by Love are: How to enter and leave a room, what clothes to wear and how to wear them, how to give a formal dinner party, how to charm her own least attractive and least susceptible relatives, how to attract all the men in a room without antagonizing any of the women. It teaches her to glow with pity, sparkle with delight and melt with understanding. It even teaches her how to light a cigarette without setting her nose-veil on fire. And I think Bette Davis must be a really great actress because she makes this outrageous bid for the female trade seem in moments of emotional crisis almost half-way plausible.

"Freshener-uppers"

Spring Tonic Prints—Styled for Women and Misses

The trimmest, neat-as-a new pin, pretty-as-a-picture two-piecers you've seen in many a moon for as little as 8.98! They're in peppy polka dots or small, stylized prints—when you look at their colorings you have that feeling of freshness that suggests April showers and May flowers. The fabric is a smooth-feeling, rich-looking rayon crepe. Eight styles — all certain successes and as full of promise as tomorrow! We've sketched two to give you an idea of their charm.

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THRIFT SHOP—THIRD FLOOR

Simpson's

THE FEMININE OUTLOOK

Suicide With a Suitcase

BY BABS WARNER BROWN

THE Brace (of offspring) were asked to stay at a farm for the weekend. "Just put 'em on the train," said the Aunt. "It's only an hour's trip. I'll meet them at the other end. They'll only need a small suitcase."

It all sounded so simple but—there were five things wrong with the picture. (1) The farm, and the Aunt inside it, got completely snowed under by the worst blizzard known in years. (2) The train was three hours late. (3) It took two large suitcases to encompass alternate sets of outdoor clothing and, at the last flabbergasted moment, eight tins of condensed milk on the sudden realization that the farm brew was unpasteurized. (4) The point of departure was that seething tide of berserk bedlam—otherwise known as the Union Station, and (5) The day was December 31st, 1942.

My husband, wearing the smug expression of a Marine who has the situation well in hand, arranged to have us all down at the station well ahead of time to avoid the rush. Offhand I'd say five or six thousand other people had the same idea. While we went in search of platform tickets we left the Brace sitting on suitcases under the clock, impeded by such minor paraphenalia as skates around their necks, skis over their shoulders and poles under their arms. Travel meant nothing to them.

We ran into our first bit of trouble. "No platform tickets sold during the holiday season!"

"But they are very young," I said, feeling rather like the Pied Piper—Christmas festivities always give me an octogenarian feeling, "— and they have skis and suitcases. . ." The severe young man in front of the tickets relaxed to the extent of parting with one fare to Sunnyside.

We rejoined the Brace who by this time were in earnest conversation with a French (very) poodle. It had cute little bows and a cute little mistress, also French. My husband admired them both a good deal and by the time we got him underway again I was feeling very uncute, very unlittle, and more octogenarian than ever.

We faced the sea of people ebbing and flowing around each platform barrier. Various groups of the Armed Forces, complete with dunnage sacks and wisecracks swirled around like separate navy, blue and khaki eddies in the multi-colored mass. We grabbed at a red cap as he appeared momentarily through a gap in the crowd. "Could you possibly take these suitcases. . .?" He gave a hollow laugh and sank out of sight.

"The thing to do," said my husband, looking more like a Marine than ever, "is to get hold of the Station Master and find out which platform we want." The Station Master had probably been taken off in a straightjacket after the strain of the Christmas weekend — certainly no one in the vicinity had ever heard of him. The Brace confronted no less a dignity than a sub-lieutenant in the Royal Canadian Navy, being under the impression that he was some lower clerk in the information bureau. There was a rather awkward moment when we pretended not to own the Brace. . .

After about twenty minutes a loud speaker with laryngitis (soon, by the sound of it, to join the Station Master) announced that our train would come in on platform 6 but would be an hour late. Not liking to subject the pop-eyed and blotting-paper minded Brace to the rollicking atmosphere of the nearest pub—our usual haven during such interludes—we decided on the pure, but rather dismal alternative of orange crushes in the station restaurant. There hundreds of resigned looking travellers sat at the counter eating queer combinations of food.

Every now and then the loud speaker sought to keep up our spirits by telling us our train was an hour and a half late, then two hours, then two and a half. Its tone implied that we were lucky the train ran at all. We were inclined to agree with it.

All this time the Aunt had been digging like a mole, borrowing sleighs, harnessing horses and telephoning wildly in all directions.

Eventually, by the grape-vine system, word reached us that our train was really due. We rushed to the entrance to platform 6 and there, s'help me, stood pressed together like spoons for thirty-five minutes. Half that time I had my face pressed into the back of a badly molting coon coat. (The other day I was kissed on the hand by a refugee Count. Ahem. I had on angora mitts at the time. I now know just how the count felt.)

All Aboard!

We had enclosed a crock for the Aunt against the wear and tear of the Brace and we were just deciding that our need was greater than hers when the barriers opened and we were carried forward on a wave of humanity. It was a little difficult trying to explain to the Keeper of the Gate that I was only temporarily carrying a suitcase and not trying to go anywhere without a ticket. He was another earnest young man with a nasty lack of faith in human nature. However, my husband eventually got the Brace on board and the Conductor promised to see they got off at the right station. Finally, by the grace of God and the Canadian Pacific the train pulled out and we were left with three blessed days ahead of us of sleeping in, eating what we wanted to and staying out as late as we liked without having a sitter-in ticking up like a taxi meter.

The Brace had a wonderful time. They went sleigh riding, they skied in the pasture and skated on the duck pond. They milked the cows and collected the eggs. They came back with glowing cheeks, dirty necks and the intention to "go back to the land." Meeting them, the train was only an hour late and we had a special little chit from the Assistant Station Master — who seemed to have survived the holiday season remarkably well,—saying we could wait for them on the platform.

The train changed its mind several times about which platform it was aiming for and we found ourselves leaping like Bambi from track to track. However with the help of a nice, shaggy little porter who looked like James Cagney, we outwitted the engine driver to such an extent that we were in position to receive the full shock of the Brace's suitcases as they hurled them and themselves off the train into our arms.

CANADA NEEDS 40 MILLION POUNDS OF FATS FOR EXPLOSIVES

Here is a day-to-day War Job for You!

There is a serious shortage of Fats and Bones in Canada and the only way in which this shortage can be overcome is by the day-to-day saving of every spoonful of dripping, every piece of scrap fat and every bone, cooked, uncooked or dry.

Fats make glycerine and glycerine makes high explosives—explosives to bomb the Axis partners—Adolph, Benito, Tojo, sink their U-boats, destroy their tanks.

Bones produce fat. Also glue for war industry.

HERE IS WHAT YOU DO

Save every kind of waste dripping. All may be mixed together. Strain through an ordinary metal strainer into a clean wide-mouthed can. Do *not* use a glass or paper container. Keep in a refrigerator or a cool place until you have collected a pound or more. Save all pieces of left-over scrap fat from your meats (cooked or uncooked). Keep separate from your drippings. Keep scrap fats and bones in a cool place.

HERE IS HOW TO DISPOSE OF FATS AND BONES

The Meat Dealers of Canada as a patriotic effort, are co-operating with the Government in this all-important war work by contributing their collection facilities. Now you can dispose of your Fats and Bones in any one of the following ways:

1 YOUR MEAT DEALERS will pay you 4½¢ per pound for your fat dripping and 1¢ per pound for scrap fat. You can keep this money for yourself or—

2 YOU CAN TURN THE PROCEEDS over to your local Voluntary Salvage Committee and/or to a registered local War Charity.

3 YOU CAN DONATE your Fats and Bones to your local Voluntary Salvage Committee in any place where they collect them, or—

4 YOU CAN CONTINUE to place out your fats and bones for collection by your Street-Cleaning Department where such a system is in existence.

Every spoonful of dripping, every piece of fat and every bone, cooked, uncooked, or dry, must be saved. It's a day-to-day job. Your contribution may seem small and unimportant, but even one ounce of fat dripping per person per week will give us 36,000,000 pounds of Fat each year for glycerine.

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DEPARTMENT OF NATIONAL WAR SERVICES
National Salvage Division
IN CO-OPERATION WITH
WARTIME PRICES AND TRADE BOARD
Oils and Fats Administration

IF YOU are looking, these days, for what Robert Bridges calls "Painful escapes of fitful life" how about reading a book on Etiquette? Life is certainly fitful these days, but your escape by this route may be painful when you discover that no formal dinner is correct without men servants, and that your daughter, from the age of one to six should have a visiting card measuring 2⅛ by 1⅜ inches. When most of us are struggling to achieve meals on time for the family—meals often served for speed on the kitchen table—there is something fanciful about reading of the duties of a lady's maid, and the details of which thing you eat with what fork.

CONCERNING FOOD

Etiquette as a Painful Escape

BY JANET MARCH

Poor old etiquette has had to take some pretty hard knocks these last years, and I for one don't think she'll ever be the girl she was. In fact as I flicked the six hundred odd pages of what is really a very excellent guide a faint odor of funeral flowers seemed to rise from the pages. Most of the household problems which turn up these days can't be solved by thumbing the index of an etiquette book. It isn't so much a question of how many inches to leave between the glass and the plate when laying the table, but of teaching the momentary queen bee of your kitchen the difference between the kitchen knives and forks and your sterling silver. Fussy Aunt Rachel with the weak heart and the strong bank account has been known to look surprised at the piece of old nickel provided for her soup eating, while the prongs of the sterling forks aren't improved by being used for bacon cooking—that is if you have any bacon.

A book of etiquette pre-supposes a strong desire on the part of its readers to do the right thing, and at this moment in world history fewer and fewer people have time to consider or bother whether things are right or wrong. We just rub along doing the best we can with what manners we have just as we have to make out with the food we can come by. All those lovely cook books full of butter and eggs and heavy cream have to be put away while we learn to cook with what there is to be had today. The meat problem seems to be one of the worst so here are a couple of recipes for stretching what you have.

Casserole Dinner

2 cups of cooked meat cup up
2 cups of raw sliced potatoes
1 can of tomatoes
½ cup of chopped celery
2 medium onions sliced
1 cup of boiled rice
1 tablespoon of chopped parsley
2 tablespoons of butter
Salt, pepper
Bread crumbs

Grease the casserole dish and put in first a layer of rice, then add meat, potatoes, onion, celery, parsley and tomatoes. Season each layer with salt and pepper, sprinkle with crumbs and dot with butter. Bake for an hour in a fairly hot oven.

Have you ever had lamb chops left over and looked at them stark and cold in the refrigerator the next day? Here's something you can do with them.

Lamb Chops

3 lamb chops
¾ cup of white sauce
¼ cup of grated cheese
Horse radish
2 tablespoons of bread crumbs
1 tablespoon of butter

Put the chops in a greased baking dish. Make the white sauce, take it off the heat and stir in the horse radish and cheese. Pour over the chops. Sprinkle with crumbs and dot with butter. Bake for about half an hour in a moderate oven.

Eggs and Peas

4 hard boiled eggs
1 chopped onion—small
1 cup of peas
½ cup of celery chopped
½ cup of mushrooms
1 can of tomato soup
Salt and pepper

Stir the onion into the soup. Butter a baking dish and put in layers of peas, eggs (sliced), mushrooms (lightly fried) and tomato sauce. Season well and bake for half an hour in a moderate oven.

Liver is one of those things which the nutritionists have trained us to eat whether we like it or not, although a lot of people feel that without bacon it isn't worth the fabulous number of international units which the vitamin experts chalk up for it. Sometimes it doesn't all get eaten so you might have—

Baked Liver

4 slices of cooked liver
1 cup of boiled rice
½ cup of cooked carrots
1 cup of stock
½ cup of cooked mushrooms
3 tablespoons of fat
2½ tablespoons of flour
Salt
Pepper

Put the slices of liver through the mincer. Melt the fat, stir in the flour, season and add the stock and stir until the sauce thickens. Chop up the carrots. Butter a baking dish and cover the bottom with a thick layer of rice. Then put in the meat, mushrooms, carrots. Cover with more rice, and season well. Pour on the sauce, dot with butter and cook in a moderate oven for about half an hour.

Sour Milk Cookies

2 cups sifted flour
½ teaspoon baking powder
1 egg
1 cup sugar
1/3 teaspoon baking soda
¼ teaspoon salt
1/3 cup sour milk
¼ teaspoon almond flavoring

Mix and sift the flour and baking powder together. Beat the egg until thick and lemon colored. Gradually add the sugar and mix until well blended. Dissolve the baking soda and salt in the sour milk and add to the sugar mixture alternately with the flour and baking powder, stirring well after each addition. Mix in the flavoring. Drop by the teaspoonful on a greased baking sheet and bake in a moderately hot oven (375° F.) 8 to 10 minutes or until done. Yield: 3 dozen cookies.

For modern version of "Sister Ann, Sister Ann, what do you see" this plane spotter wears green tweed skirt, matching jersey shirt. Red, white, green plaid parka is red-lined.

CROSSE & BLACKWELL'S WORCESTERSHIRE SAUCE

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NEW IMPROVED OLD DUTCH CLEANSER

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Chase "that sinking feeling" with delicious hot

42-5

BOVRIL

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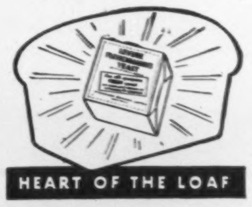
BREAD is your family's most dependable low-cost, *energy* food. Make sure they get enough of it. And if you bake at home make sure *you* get extra-good bread by using Fleischmann's fresh Yeast, Canada's favorite for over 70 years! You can count on Fleischmann's to give you fine, sweet-tasting bread your family will enjoy. Ask your grocer for Fleischmann's *fresh* Yeast—with the familiar yellow label.



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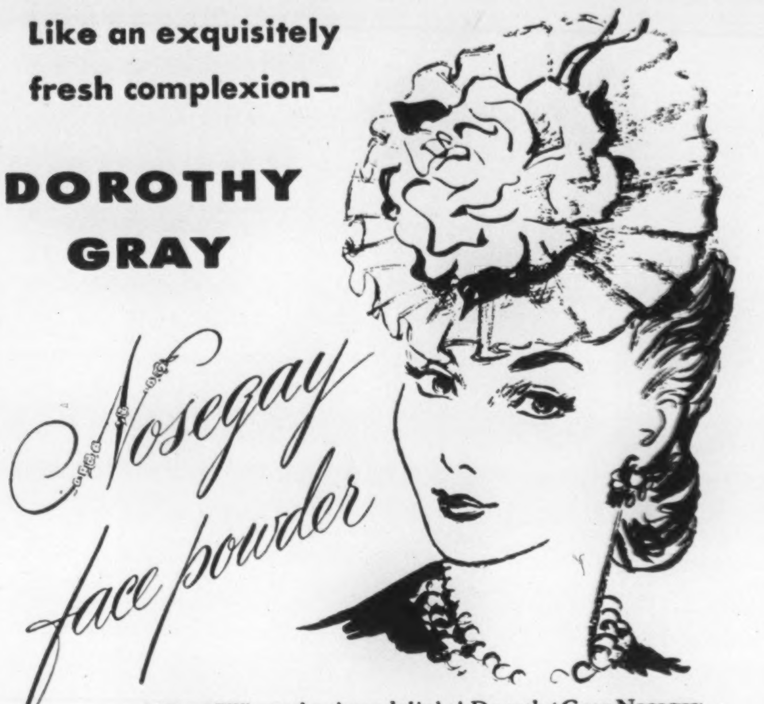
Like an exquisitely fresh complexion—

DOROTHY GRAY



NEW—and a sheer delight! Dorothy Gray Nosegay Face Powder is so light-textured, it flatters your face with gauzy loveliness. Fragrant with the beloved Nosegay perfume. Pure and free of starch, orris, or other ingredients generally suspected of arousing allergies. In skin-tone shades, $2.00.

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683 FIFTH AVENUE, NEW YORK

This and many other exquisite Dorothy Gray preparations at smart Department and Drug Stores.

DG 26

DRESSING TABLE

And Heads It Is!

BY ISABEL MORGAN

NOTHING seems to throw the hair into sharp focus so much as donning the cap of one of the women's services—and for running up against a whole new set of problems. First, there is the necessity of obeying regulations about keeping it away from the collar, plus the usual requirements of neatness. This isn't always easy to do in civilian life, but it's something else again when one is driving a transport, learning to march as part of basic training, or engaged in any of the scores of jobs requiring constant physical effort. The ideal coiffure must remain neat under all these strenuous conditions and, at the same time, be as feminine as possible.

Not long ago Antoine, who used to design coiffures for the ladies of gilded international set, arrived in Ottawa on a different mission. There, at Freiman's Antoine Salon, he set to work in co-operation with the Canadian women's forces to design a set of six coiffures that would be easy to take care of, remain neat under the most rigorous conditions, and yet be attractively simple and feminine with or without a cap. The hair-dos were given military names and took into consideration various types of hair.

"Attention" was designed for the girl with long straight, heavy hair and absolutely no desire for curls. It was drawn straight back from the forehead with bland simplicity, and softly coiled on either side. At the back the coils become two heavy braids with ends fastened into the roll at the neck.

"Reveille", created for the lucky who is blessed with naturally curly hair, depends for its success upon the hair being cut to a length of about three inches all over the head. Ends are tapered in a feathery fashion so that the soft curls spring into place when a comb is whisked through it.

"Flight" offers a suggestion for the straight-haired lass who likes to wear her hair fairly long—and yet keep within the regulations. This has loose becoming waves over the brow, is drawn up at the sides in another soft wide wave and coiled at the nape of the neck into a large becoming roll.

"V-Do" fashions short hair becomingly into large soft rolls forming a double-V at the nape of the neck. Sides are arranged in soft loose waves in an upward movement, and in front immensely flattering curls are brushed back from the forehead.

Convertible

"Rendezvous" is an arrangement that can be converted quickly from trim comfort under a cap to pretty feminine waves and curls for off duty hours. Soft curls piled high on the head dip down at one side of the forehead. The back is as pretty as the front with its four large inverted curls as a pleasing change from the more usual roll.

"Alerte", for she who likes the effect of a trim tailored neckline, has the hair cut short at back and brushed in a swirled-to-one-side movement. There are light fluffy waves at front, and the whole arrangement requires just about the minimum in time and care to maintain its trimly short, versatile good looks.

Women in civilian life, as well as those in the forces, are going all-out for simplicity of coiffure without sacrifice of the soft frame of the features offered by becomingly arranged hair.

Air for Health

"Air can be a natural tonic—or a headache. But we don't have to be fresh-air fiends. It isn't necessary to expose ourselves to wintry blasts at the mere sight of a window," says a pamphlet titled "There's Health in the Air," issued by the Health League of Canada.

"The air you breathe," says the pamphlet, "may be a carrier of infection. (Cold germs can travel ten feet through the air from an infected nose and throat.) Irritating gases from improperly burned fuel may be carried in the air. It also acts as a carrier of dusts and pollens which cause hay fever, asthma and other conditions."

"Most important," it goes on to say, "is good ventilation in the home. Poor ventilation harms health and comfort by: (1) Lack of motion in the air. (2) Inadequate or excess humidity. (3) Improper temperature. (4) Irritating gases."

Good ventilation depends on proper control of heat, moisture and window ventilation. A daytime temperature of 68 to 70 degrees is recommended. This can be lower at night. A humidifier in the home is an aid to health and comfort.

Three smart girls go skiing at the Seigniory Club, P.Q. From left to right, Miss Mary Porter, Westmount; Miss Joan Patterson and Miss Alma McFarlane of Montreal. All costumes from Morgan's Sports Shop, Montreal.

In the evening by firelight at the Seigniory Club in comfortable after-ski outfits, the three discuss the day's sport, make plans for tomorrow.

Dentists Personally use Ipana nearly 2 to 1 over any other dentifrice

A professional poll of Canadian dentists by a leading dental journal shows that nearly twice as many dentists personally use — and recommend—Ipana as any other dentifrice—paste, powder or liquid!

Guard against "Pink Tooth Brush", help keep your gums firmer—your teeth brighter with

IPANA AND MASSAGE

YOUR smile is YOU! It's a priceless asset and you should keep it right! Remember—your gums as well as your teeth need daily care—for bright, sparkling smiles depend upon *healthy gums.*

If you see "pink" on your tooth brush — *see your dentist.* You may not be in for serious trouble. He may tell you your gums are weak and sensitive because today's soft foods have robbed them of work. Like thousands of dentists, he may suggest "the helpful stimulation of Ipana Tooth Paste and massage."

For Ipana not only cleans teeth thoroughly but, with massage, it is specially designed to aid the gums to healthier firmness. So get Ipana today and each time you brush your teeth, massage a little extra Ipana onto your gums. With firmer gums and brighter teeth, your smile will be the charming beauty asset it should be.

Get an economical tube of Ipana from your druggist today.

Ipana

TOOTH PASTE

A Product of Bristol-Myers—Made in Canada.

THE OTHER PAGE

The Youngest of the Family

BY MARY QUAYLE INNIS

"YOU can't keep dogs in the city," Mrs. Everett protested, and as John glanced at the lawn on which three dogs were circling in the snow, she added, "There are too many dogs on this street now."

"I'll ask—" John began mildly.

"Yes, ask your father." John's smug look confirmed her suspicion. She could hope for as little support from her husband as from John himself.

"You don't know," she burst out impatiently, "how much work it makes. Who's going to feed and watch and walk him? And brush his hairs off the rug and he'll scratch the door and dig up the flowers."

"We'll look after him, the kids and me. We won't let him hurt a thing."

"I'll speak to your father myself." But they both knew that the contest was over.

The week before John's birthday she said to her husband, "A badminton racquet and the books and war savings stamps. That's what I've planned." She waited for a protest but Arthur nodded agreement. He had forgotten about the dog. While for herself she was glad, it occurred to her that John might be disappointed. But the racquet, the books—

The birthday dinner was ready and the children were waiting for their father. The front door opened; Leslie hurriedly lifted down the warming vegetable dishes. "Mom! Mom!" Miles shrieked. Dinner would quiet them, she scraped the gravy pan and untied her apron. Above their screams she heard Arthur's voice and then, clearly, a bark. While she gaped at the dining room door, she saw a small white terrier run agitatedly through the hall and then they were all upon her, mad with delight, Arthur beaming as though he had not betrayed her. John ate almost none of his chosen dinner and glanced with not even a show of interest at the racquet and the books. That was the beginning.

Sport they called him for the favorite dog of Arthur's boyhood. He was a little too large for a proper terrier and his tail was long, he was smooth-haired with pale brown markings and a sharp, touching little face.

"What makes him shiver so?" Leslie asked. "It's warm in here."

"He's nervous. You'd be nervous too if you had just been adopted."

He ran excitedly up and down the room, whining thinly, giving sharp, sudden barks. As Leslie reached for her darning basket, he gave her hand a mechanical stroke of the tongue. Arthur patted him but he turned restlessly away. John gathered the shivering white body into his arms. "Come on, we'll find you a nice bed," he said in a deepened tone of such tenderness that his mother looked up surprised. He laid the sharp little head against his neck and went upstairs, muttering gently.

SPORT left white hairs like a veil over the surface of the rug, he scratched deep grooves in the paint of the front door. When Sheila practiced her music, he at once sat down, threw back his head and howled until she left the piano. Sheila declined to practice because Sport did not like it and when she had been persuaded to shut him in the boys' room, the business of finding and consoling him for being shut in occupied half her practice time. When Leslie went out he slept on her best bedspread and the big chair with its dark blue cover was his common retreat. He buried his biscuits in the coal pile and brought them up to eat on the clean linoleum, he barked.

While she scrubbed away pawmarks, Leslie thought of the peaceful, pre-Sport period which, inexplicably, had seemed difficult and strenuous. What had she done with the time now occupied in letting Sport out and letting him in, getting him drinks of water and mopping up the drinks he spilled? Because they fed him and took him for a walk every day after school, the children considered that they took entire care of him. She brushed viciously at a cushion patterned in white hair-work. Sport whined at the door. Since the children would soon be coming for lunch she let him out.

"Where's Sporty?" Sheila called. "Mother, you didn't let him out! The dog catcher'll get him."

"He'll be right back."

"Where's Sporty?" Miles cried.

"Where's Sport?" asked John, his voice urgent with the note of ownership.

"Just outside."

"Mother, you mustn't let him out. You don't want to lose your youngest child."

WHEN they had had the dog for six weeks, his care had fallen into a routine and Leslie had accepted him as a necessary ingredient of her life. She remembered to provide his food, she gave him automatically an occasional pat. He was John's dog and he treated her as a useful but uninteresting appendage of John's. The brushing-off of white hairs was now one of her principal duties. She went over the rug every morning with a dampened whisk and the intensive brushing of the boys' breeks, Arthur's trousers and Sheila's school tunic occupied her evenings. The seat of the blue chair was covered with perpetual snow, the chesterfield had whitened, she felt sure that they must eat white hairs in substantial quantities, but, brushing fiercely, she knew that she must resign herself to Sport's presence.

His comings and goings were not always regular and she was not much surprised when one evening he did not come in at dinner time.

"You shouldn't ever let him out," John repeated patiently.

"He just leaked out when I was paying the fruit man. He'll soon be back."

The last two days had been intensely cold; all three children went out to meet Sport and came back with scarlet faces and numbed fingers. It began to grow dark. Only now Leslie felt concerned for Sport had never stayed out after dark before.

"I'm going out on my bicycle," John said at last.

"Don't stay long. He'll probably come while you're gone." She stared out of the window wishing that she had not made that last speech for when John rushed in, cold and eager, Sport had not come. They walked in different directions, they whistled and shouted. Leslie put her arm around Sheila who was crying into a cushion.

"He's so little," Sheila wailed. "Maybe he doesn't know how to get home." Leslie remembered a lost dog she had once seen running back and forth in almost hysterical excitement, staring into the face of each passerby. She saw Sport searching like that, lost and wild with fear, and her own throat stiffened.

"I hear Daddy and John," Miles cried, "they've got him!" He flung open the door and the anxious, hopeful eyes of the watchers within met those of the searchers outside.

"Haven't you got him?" "Isn't he here?" they cried together.

"It's snowing again," John groaned.

"I can't go to bed," Sheila sobbed. "I can just see him coming round the corner." Leslie saw him too, his tail curved high, an expression of interested discovery in the very points of his ears. She saw him everywhere, sliding down guiltily from the big chair, begging for scraps, watching the door when it was time for John to come from school. She had not thought that she had ever noticed him attentively.

IT WAS almost impossible to get the children to bed. Arthur made one last journey up and down the street and came in insisting, "Somebody's taken him in. We've got to get some sleep." When the listening children were at last asleep and the house was as nearly silent as houses ever are, Leslie could hear new barkings, new scratchings and whines. That poignant dog-like sound was only the creak of the stairs, a footfall in the street, the pat of snow on the pane. She made herself lie so still that all her faculties merged in that of hearing, so still that Arthur thought her asleep. He slipped out of bed and blundered downstairs, she felt a thread of cold from the open door and heard him whistle softly.

When Arthur was actually asleep, suddenly it seemed to Leslie that she saw Sport huddled on the snow-covered step, his nose at the crack of the door, frozen by morning because he had come too late to make them hear. The stairs tripped her, her fingers wrestled the latch. Snow lay on the doorstep and no footmark.

At breakfast she and Arthur were firmly hearty. They would advertise, they would offer a reward, Sport would be back by night. The children went off reluctantly and Leslie applied herself to the old remedy of work. The sight of his bed, his water pan and the untouched supper John had prepared made her wince. How ridiculous she was to feel like this over a dog she did not want. They had lived without a dog for years and could again. She looked at the scarred door; the wood could be filled and repainted and made to look as though Sport had never been. She swallowed dryly and went back to work.

At noon Arthur telephoned to ask her to go to the Humane Society. She had a committee meeting that afternoon, but she agreed quickly and prepared a bright face for the children. But in the street car she wished that she had not made them such positive assurance. She stared at the street seeing neither cars nor shops nor people but only dogs. Suppose she saw him now—how she would jerk the bellrope, jump out and hurry back to him. She drew her feet under her as though to spring up but among many white dogs she saw no Sport.

An attendant showed her up the stairway to the kennels where the cement floor had just been hosed and smelled damp. Violent barking sounded and she began to be afraid that among so many she might not recognize Sport. But she had scarcely started down the long row of pens when a white body flung itself against the bars with a fierce outburst of barks which momentarily silenced the room.

"He's yours all right," the young man laughed. Sport jumped against her frantically and licked her hands. The young man tied a cord to his collar but there was no need to tie him. She could scarcely walk for the white body flung against her knees. Plunging about and upon her, Sport gave short, ecstatic barks, whimpered with joy, licked her hand. When she got him into the street car he would not lie on the floor but crawled up into her lap where he lay licking her hands and starting up suddenly to lick her face. People round her smiled and Leslie could not stop smiling. Exultant joy warmed her whole body. "There," she murmured, rubbing his back, "lie down now. Oh Sporty!" She had never felt so flattered in her life.

She scrambled out of the street car with Sport in her arms and was met by wild cries from the three children crowded at the curb.

"Sport! Sport! Oh Sporty!" Leslie opened her arms and, trailing his line, he threw himself on John. They laughed together in pure, mindless ecstasy.

"Oh dear, I have to go to this meeting," Leslie sighed happily. "Phone daddy and tell him."

"Mom, look at the front of your coat!"

The nubby material was so closely matted with white hairs that it looked as though a panel of white fur had been set into the black coat. Leslie smiled benignly. It couldn't matter what Sport did now. He was her youngest. Sheila pounded the furry fabric with both hands.

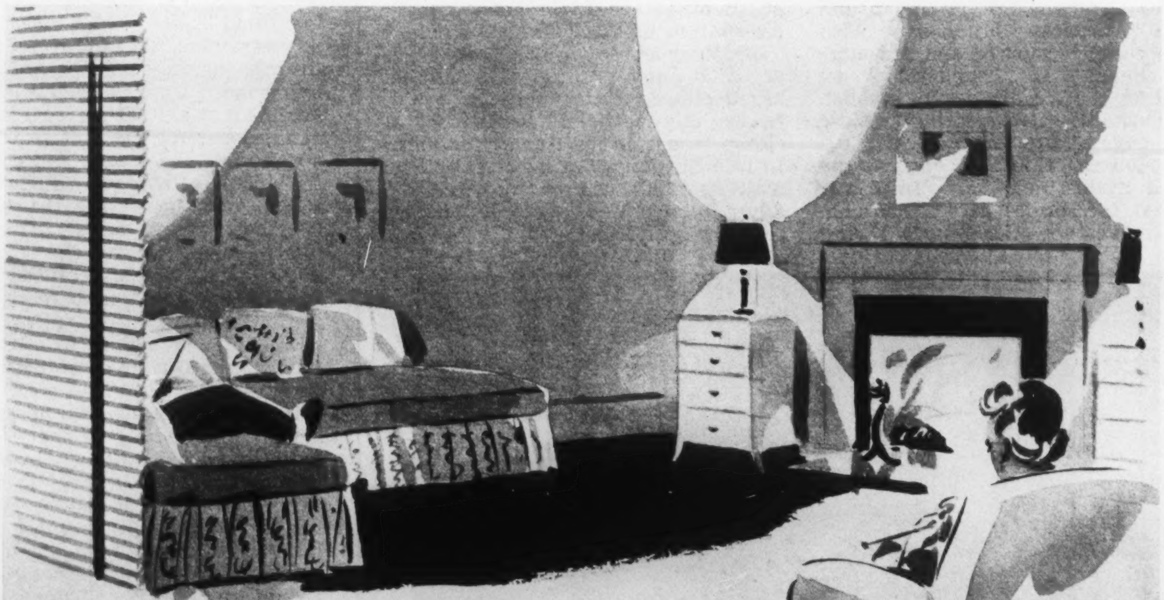
"Never mind, dear. Be sure to phone daddy." She waved to them but they had closed round Sport again and did not see her. Brushing inadequately at her furry façade, she walked slowly along and smiled at the white hairs that streamed away on the wind.

EVERY SATURDAY NIGHT
Informed and entertaining comment on the week's happenings at home and abroad.

EATON'S - COLLEGE STREET

WARTIME SHOW OF FURNITURE

With the return to simpler living, and the scramble for accommodation these war-busy days . . . home assumes a greater importance in our lives. That's why we're staging the Wartime Show of Furniture at EATON'S—College Street . . . a show that offers happy choice of cheerful comfortable furnishings . . . modest prices keyed to wartime budgets . . . and above all wise ways of homemaking that can transform your house, your flat, or that wee room of your own into a kind of special place. Visit the Wartime Show of Furniture at EATON'S - College Street for new inspiration!



"Three-in-One" Apartment for Wartime Couple

OTHER FEATURES: "Wartime House" . . . built on a Government Wartime Housing Plan, recently done over . . . A Wartime Room for three girl war-workers . . . a one-room apartment for a Service Man's Wife . . . "Thrift House" and the "Please-Tell-Me-How" shop . . . storehouses of ideas and useful information.

EATON'S - COLLEGE STREET

U.S. and Britain as Partners in Post-War Trade

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

Maybe it will be necessary for the United States and Britain to act virtually as partners in international trade, under strictly formulated international agreement which scrupulously avoids any provision suggesting a new trade bloc, and holding its advantages open to all other countries.

Maybe the U.S. will decide that the interim period between infant and adult peace could have its teething troubles solaced by a limited prolongation of lease-lend in certain categories.

But in any event, the final aim must be that the world shall prosper. There must be no more economic nationalism.

IT IS significant that there is a new urgency in considering plans for the after-war. The rapid march of Allied arms has uncovered what appears to be deficiencies in Allied post-war planning. Montgomery in Egypt anticipated his army's success and had his plans ready so that there should be no shadow between the first great victory and its consequent action. Here is the simile for the total war-peace policy of the United Nations. Sure of our ultimate victory, we must not find ourselves lacking in prepared plans when it comes.

With what should these plans primarily concern themselves? They will need to solve two problems, both of vast complication. The first, what to do with the defeated enemy; the second, what to do with ourselves.

And the sub-divisions will be political and economic. We shall find that unanimity between the victors will be more easily achieved on political action than on economic action, for the fundamental attitude of the Allies does not differ so widely in the political realm as in the economic.

That this should be so is obvious and inevitable. The United States will find herself the greatest real creditor in the history of the world. And while she contains in her vaults virtually all the world's monetary gold, Britain will have none. Nor will Britain have any large oversea investments, and her first and most pressing need will be to restore her export trade.

We have heard a good deal of the British case, from independent observers, and it was enlightening to receive, within the "America Faces the War" series of pamphlets, an insight into what the broader-minded American view is. The important thing to understand first, so that our thinking may be cleared of old lumber and traditional dust, is that the war has produced, and is continuing to mould, a revolution in Britain's economic position.

This is not a catch-phrase, and it has nothing to do with the so-called revolutionary steps in the domestic economy which the Government is committed to correct when the war is over. The revolution is in the position of Britain vis-à-vis the rest of the world, in her position as a trading and financial centre.

Britain started the war with enormous oversea investments, which yielded an annual income of something like £200 millions, but she had

IN THE PUBLIC EYE

John A. Tory

THE serrated coast of Nova Scotia is a smother of rock and spray, for the Atlantic Ocean pounds and swirls at the hem of that windy, briny province. The coastal folk love this gusty clamor yet pretend not to be affected by it. But remove one of these Nova Scotians from his habitat, set him among other men, and observe how like a rock he seems—steadfast and rugged.

Such a man is John Alexander Tory, Director of the Sun Life of Canada, (now celebrating the completion of 50 years of service with his Company), son of Robert and Anorah Tory of Guysboro, N.S., brother of James Cranwich Tory, former legislator and Lieutenant-Governor of his native province, and brother of Henry Marshall Tory, distinguished Canadian scientist and educationist. John A. Tory was born in 1869, at Guysboro. He began his career as a clerk when 18 and soon became manager of a retail business.

One morning, fifty years ago, the local Sun Life Manager paid young Tory a visit and offered him a part-time contract with the Company. John A., not used to doing things by halves, said "No." Nevertheless the appeal simmered inside. What was life insurance? He defined it to himself thus: "Life insurance is something that enables one generation to hold out a helping hand to the next, and so assist the carrying out of the Divine purpose of humanity's progress toward the ideal." So he changed his mind and said "Yes", but signed a full-time contract and was made agent in Canso.

Soon he was appointed Inspector for the Company's West Indian and South American branches. With characteristic courage and a boundless capacity for "buildership" he sailed for the West Indies to establish a remarkable sales record for those early days of life insurance.

In 1895 the Sun Life entered the United States field. Mr. Tory was recalled for service as district manager in Western Michigan, and within a few months became manager of the entire State organization.

Having developed the Michigan territory for his Company, in 1908 Mr. Tory was asked to return to Canada to expand Sun Life operations in the Province of Ontario. This he did, under the title of Supervisor and working out of the "Western Ontario Branch" in Toronto. His subsequent achievements were insurance-history-making. He made that agency organization greater than many Canadian life companies and built it into the greatest life agency in the British Empire. This tremendous growth eventually resulted in a re-arrangement of the agency into six separate branches. In December 1938 Mr. Tory relinquished the supervision of "his" territory and was elected a director of the Sun Life.

Mr. Tory could have felt that his responsibilities of citizenship began and ended with his unceasing promotion of insurance protection for homes and families. He dismissed this notion, himself, in these words—"No one can hope to be a successful leader of men unless he is recognized as a leader in his community". This statement, while not intended to be self-descriptive, strikes the key-note of John A. Tory's character. He has been foremost in many a laudable civic enterprise; his administrative skill has been pressed into service on behalf of national and international institutions. Throughout the last war he contributed actively to the recruiting campaigns and war loan drives of the Dominion Government, and in peacetime was named president of the Soldiers' Rehabilitation Committee. He was chairman, too, of the Advisory Committee of the Canadian Legion, B.E.S.L.

Mr. Tory helped form Toronto's first Social Service Commission and acted as its chairman. He was president of Toronto's Board of Trade in 1929 and president of its Industrial Commission in 1936. He is also a past president of the Life Underwriters' Association of Canada.

Mr. Tory has at various times been urged to enter political life, but he has declined, feeling that he could render more efficient service as a citizen free from political affiliations. In 1935 Mr. Tory was honored by His Majesty King George V with the Silver Jubilee Medal for outstanding community service.

Winter frost on window panes of the Montreal Locomotive Works catches a weird reflection: a welder at work on one of the 30-ton Ram tanks this Company is producing for the Department of Munitions and Supply.

THE BUSINESS ANGLE

A War on the Home Front Too

BY P. M. RICHARDS

TO STRESS the importance of avoiding inflation is, perhaps, to emphasize in some people's minds the danger of inflation and thus to contribute towards reducing confidence in the future value of our money and to bringing about the very condition that it is desired to escape. For inflation can develop not only from a material fact, the existence of more purchasing power than there are goods to consume that purchasing power, but also from a public state of mind, an apprehension of higher prices expressing itself in a competitive scramble for the limited goods available that itself tends to push prices upward.

Despite this unpleasant possibility (that of increasing the impetus to inflation by talking about it), and despite the fact that Canada, under the price control instituted in 1941, has had considerable success so far in restraining the upmove of prices, as evidenced by the rise of only 2.7 per cent in the official cost-of-living index from October 1, 1941 to November 1, 1942 against a rise of 20 per cent in the comparable period of the last war, the fact remains that Canada's price structure is under such strain at the present time that the people of Canada simply must co-operate to the full to avoid increasing the strain if the price system is to get through the war without breakdown.

Of course, one way the people can co-operate is to put every dollar they can into Victory Bonds and War Savings Certificates, to reduce by this means the inflationary gap between excess public purchasing power and the supply of consumer goods, as well as furnish the Government with the money it needs to carry on the war. And since, as we pointed out last week, the enormous rise in public purchasing power since the beginning of the war has not been enjoyed by all the people but only by those who have had new employment or increases in wages or salaries as a result of the war, it follows that any larger buying of bonds and certificates must come mainly from the latter, rather than from the former whose purchasing power has actually decreased substantially as a result of higher taxes. This point has not been emphasized officially in Loan campaigns so far; surely it is time it was.

Wage Increases Cause Inflation

But workers can also co-operate in the war against inflation by refraining from demands for wage increases inspired by belief that the country can't do without their production. Perfectly patriotic citizens who would not hesitate to shed their blood in their country's defence do not seem to see anything unpatriotic in striking or threatening to strike for higher wages when they see a chance of getting them. They send their sons to fight, and then to get a few extra dollars stop work on the production of materials for the weapons their sons must have. And some employers, similarly profiteering on the war emergency, use patriotism as a cloak for the payment of wages that do not permit a decent standard of living and thus contribute to the making of strikes. These workers and employers must somehow be convinced of the destructiveness of their conduct, to the war effort and the post-war economy too.

The experience in Britain has been that to permit an increase of wages in one industry has only been to encourage demands for increases in others. Wage rates have risen very substantially there since the war began, and they have risen very unequally. The workers in the most essential industries who found themselves in the best bargaining position got increases, and other workers less advantageously situated did not. The result has been a progressive rise in prices, despite price controls. The cost of procurements for war needs has risen considerably and, more alarming than this, hardship has been suffered by the large part of the population which has had no, or smaller, gains in income. For the Government to permit such gains all along the line would, of course, be to blow the roof off prices.

Basic Wage Rates Must Not Rise

Patriotic British labor has made many sacrifices to support the war, voluntarily relinquishing rights won only after decades of striving. It is tolerating long hours, and the association of unskilled men with skilled. But it has balked at wage limitation, and the Government has been unable so far to make it understand the necessity for such limitation. Failure to deal adequately with the wartime wage question is perhaps the Churchill Government's most serious fault.

In a runaway inflation workers are among the chief sufferers from the decline in the value of money. Progressive wage increases are only fuel on the inflation fire. Experience in countless past inflations has shown that such increases have always failed to keep pace with the money deterioration. During and immediately following the last war, Germany, Russia, Italy and others underwent inflations of their currencies that progressively reduced the buying power of their money units to zero. The savings of millions were wiped out. Prices doubled even in Canada, Britain and the United States. Though governments are technically much better placed now to prevent such inflation, there is nevertheless cause for grave concern.

The Government of Canada must now somehow make Canadians aware that there is a war on the home economic front as well as on the fighting fronts. The home war is a war against inflation. To win it the people must be made to know that it exists, that our defences must be organized all along the line, and that those defences include the prohibition of all increases in basic wage rates.

shed most of them. She started the war with a large gold holding, but before Lease-Lend was born it had been shipped across the Atlantic. When the war came she was the greatest exporting nation in the world. Now she exports nothing by comparison, and the markets that she cared for are now, perforce, caring for themselves; nor will they suddenly cease to care for themselves by an act of altruism when the war is over. The tentacles which brought sustenance to the economic body of Britain have been curled in for the duration, and many of them have atrophied.

That is the revolution. The immediate post-war problem will be to set about making up the £200 millions of dividends which will no longer come from overseas investments, and to rebuild the export trade. Plainly, the deficit on the first post-war year's trading may be very much more than £200 million, although this is the figure suggested by the American commentators.

Impossible Alternative

It can be said that we will accept the Spartan alternative of living only on what we can produce or pay for. But who really believes that we can do that? Even now, in wartime, when our standard of living is so drastically reduced we need to import food. And the demand for an improvement in national standards of nutrition, to put the matter at its lowest, will be irresistible after the war—were there any to try to resist it. No, we must be prepared for more or less substantial adverse balances during the rebuilding phase.

All the more reason, of course, why that phase should be as short as possible and witness activity comparable in its intensity (and, indeed, almost in its vital necessity) to the feverish operations which support the war. In this American pamphlet it is noted that there could be lend-lease in perpetuity; but that is absurd. Also that there could be large-scale emigration, taking 8 to 10 million people to the Dominions. That is more desirable, but hardly less absurd as a solution within a measurable term of years. Also that there could be a return to the gold standard; but it is not clear what benefit Britain could expect to get from the circus antics she would have to adopt to rebase her currency on a metal of which she possesses scarcely any at all.

Also it has been suggested that the pound sterling could be depreciated. Here we have a stronger case. If exports are to be increased sterling must be held as cheap as circumstances allow. But it is a tricky weapon, for as you reduce the cost of your exports in oversea markets so you automatically increase the cost of your imports. Moreover, it is a game at which two, and more than two, can play, as all those know who remember the bad old days of competition in currency depreciation.

Also, it has been pointed out that there is such a thing as a combination of bilateral trade and exchange control. This was a game very dear (and still very dear) to Germany. The idea is that you buy on a substantial scale from any given producer, and you pay promptly. But you pay into an account which you kindly opened for them in your own country. Then you say to them, well, here's your money, what about spending it? And they, knowing that they have either to spend it with you or have it frozen in this account for good, spend it, and you get the best of both worlds. But this is another game that two, and more, can play, and it is a form of international blackmail that no one would be wise to attempt after a war fought to put an end to international blackmail.

Lastly, we are given the free multilateral system which is the modern interpretation of the traditional free-trade concept. Here there is certainly sweet reasonableness. Each country to produce what it is best able to produce. A country like Britain to devote her most intense energies to developing her special aptitude for designing and making manufactured goods to exchange for the raw materials which she lacks. That, indeed, is the plain and virtuous path, and it has the special merit, generally unnoticed in economic commentary, that it could exist only in certain desirable political conditions.

A More Distant Stage

But there is still an air of unreality about this immaculate conception. It belongs, not to the short-term post-war, but to a more distant stage. Its biggest use resides, not in the possibility of its attempted adoption as soon as the Axis crawls to sign the Armistice, but as a guiding influence, a Pole Star, to govern the end of the interim policies and practices which will surely be compelled by inexorable need.

Who can doubt that a more positive sort of international collaboration, particularly between the United States and Great Britain, will be necessary in the early post-war period? If the laissez-faire ideal were imposed at the outset it would defeat its own object, for it would most certainly be the occasion of a revival of trade war on the very largest and most disruptive scale.

No, other mutual arrangements must be organized first. Maybe it will be necessary for the U.S. and Britain to act virtually as partners in international trade, under strictly formulated international agreement which scrupulously avoids any provision suggesting a new trade bloc, and holding its advantages open to all other countries to participate in. Maybe the U.S. will decide that the interim period between infant and adult peace could have its teething troubles solaced by a limited prolongation of lease-lend in certain categories.

But in any event, the final aim must be that the world shall prosper. Individual countries can only achieve an idiosyncratic prosperity in conditions descended in a straight line from those which did so much to breed the German disease. Economic nationalism must be rooted out once for all. The hope for Britain, for the U.S., for the U.S.S.R., for China, for broken Europe—the hope for the world, is in a new internationalism.

Among the first to benefit from the new leg-fitting centre operated by Britain's Ministry of Pensions was the Bishop of Rochester who lost a leg in a boating accident. Happy with a new one (artificial), he is seen here greeting an RAF gunner, also at the centre for a needed leg.

CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the fifteenth Annual Statement of the affairs and financial position of your Company as at November 30th, 1942.

Net Earnings, after providing for Depreciation, Income and Excess Profits Taxes (of which $147,000.00 is refundable), etc., amounted to $1,412,726.62 as compared with earnings of $1,631,059.50 in the previous year, a reduction of $218,332.88.

It might be pointed out that the present Income War Tax Act is much more onerous than that in effect in the previous year. Had it been in effect for the whole year (it became effective July 1st, 1942), the Net Earnings of the Company would have been reduced to $1,053,344.00. This will be the approximate maximum amount the Company can earn available for dividends under the present Act, which is equal to about 5¼% on the 6½% Preference Stock.

Dividends paid during the year amounted to $5.00 per share on the Preference Stock, at the rate of $1.25 per quarter. Earnings were considerably in excess of $5.00 per share, but your Directors felt that in view of the fact that approximately $5.00 per share is the maximum amount the Company can earn available for dividends under the present Income Tax Act, and as the future business of the Company for the duration of the war may be considerably restricted, the surplus should be carried forward. The present surplus standing on the books of the Company, while quite considerable, is not all available for dividends. That portion accumulated prior to 1939 is frozen by Government regulation, so far as dividends are concerned.

The volume of business during the year just closed was very satisfactory. Considerable off-shore business developed during the year in which your Company was fortunately able to participate.

Costs of production were higher, due largely to the decided increase in the cost of coal, although other items, such as labour and supplies, entered into this increase.

Distribution of your product was very difficult on account of the fact that the demand was, in large measure, out of routine channels, requiring in many cases long freight hauls. Distribution to the Maritime Provinces was affected by difficulties of boat shipments, due to conditions with which you are familiar. These troubles added considerably to the cost of distribution.

Owing to the severe wartime restrictions on private building construction and the completion of so much of the war industry construction, there will be a considerable falling off in the use of cement during the coming year. Preliminary estimates by the Company's own statistical organization indicate that this reduction will amount to from thirty to forty per cent under the 1942 consumption.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CANADA CEMENT COMPANY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, November 30, 1942

ASSETS

CURRENT ASSETS:			
Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market		$ 1,559,284.47	
Accounts Receivable (less Bad Debts Reserve)—			
Customers' Accounts	$ 892,431.54		
Other Accounts	72,442.21	964,873.75	
Government Bonds (Market Value $3,007,743.75)		2,986,392.00	
Dominion of Canada Treasury Bills, par value $500,000.00, due February 12, 1943		499,345.15	
Cash		1,736,341.07	$ 7,746,236.44
INVESTMENT IN COMPANY'S OWN BONDS, at par			93,500.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX			147,000.00
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			130,476.34
BOND REFUNDING EXPENSE (less amounts written off)			990,000.00
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc. (as appraised by Messrs. Ford, Bacon & Davis, Inc. on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent net additions; less Depreciation Reserves of $21,634,702.81			35,334,875.10
			$44,442,087.88

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable	$ 537,034.58	
Bond Interest Accrued	37,187.50	
Preference Dividend declared of $1.25 per share, payable December 21, 1942	251,086.25	
Government and other Taxes (after prepayment of $1,750,000.00 to the Dominion Government)	729,992.53	$ 1,555,300.86
FIRST MORTGAGE BONDS:		
Authorized	$20,000,000.00	
Issued Series "A"	$16,500,000.00	
Outstanding— 4¼% Sinking Fund Bonds due 1951		10,500,000.00
MORTGAGE ON CANADA CEMENT BUILDING:		
Repayable in semi-annual instalments and balance due in 1948		495,000.00
RESERVES:		
Fire insurance	$ 750,000.00	
Extraordinary Repairs and Renewals	350,000.00	
Industrial Accidents	57,300.00	
Contingent Reserve	400,000.00	1,557,300.00
PREFERENCE SHARES REDEMPTION RESERVE		55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:		
Authorized (of which $21,000,000.00 has been issued)	$25,000,000.00	
Outstanding		20,086,900.00
NOTE—Dividends are in arrears $35.75 per share.		
COMMON SHARES:		
600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares		6,403,904.75
EARNED SURPLUS:		
As per statement attached	$ 3,640,782.27	
DEFERRED SURPLUS:		
Refundable portion of Excess Profits Tax	147,000.00	3,787,782.27
		$44,442,087.88

CANADA CEMENT COMPANY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss and Earned Surplus for the year ending November 30, 1942

Profit from Operations after providing $1,825,000.00 for Depreciation, but before deducting the undernoted items		$ 4,321,682.53
Executive Remuneration	$ 90,038.86	
Directors' Fees	10,740.00	
Legal Expenses	1,113.01	101,891.87
		$ 4,219,790.66
Add: Income from Investments		41,519.49
		$ 4,261,310.15
Deduct:		
Bond Interest (net)	$ 442,283.53	
Mortgage Interest	21,300.00	
Contribution to Pension Fund	100,000.00	
Proportion of Bond Refunding Expense	110,000.00	
Provision for Income and Excess Profits Taxes (of which the Refundable Portion of Excess Profits Tax is $147,000.00)	2,175,000.00	
		2,848,583.53
		$ 1,412,726.62
Earned Surplus, November 30, 1941		3,232,400.65
		$ 4,645,127.27
DEDUCT: Dividends on Preference Shares at $5.00 per share		1,004,345.00
Earned Surplus, November 30, 1942		$ 3,640,782.27

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1942, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1942, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & Co.,
Auditors.

APPROVED ON BEHALF OF THE BOARD:
J. D. JOHNSON, Director.
C. C. BALLANTYNE, Director.

MONTREAL, *January 5, 1943.*

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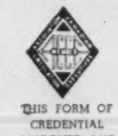

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

CANADA RADIUM

Editor, Gold & Dross:

I am interested in a fairly new venture called Canada Radium, whose mine is in the Peterborough district, and in the speculative quality of the stock. I would appreciate it if you would advise me in this connection.

—*W. J., Port Colborne, Ont.*

Canada Radium Mines is by no means a recent venture, having been incorporated in 1926, and I regard the stock as highly speculative. All operations were discontinued last summer on the order of the Ontario Inspector of Mines until certain safety regulations were complied with, and I have not heard of the resumption of work since.

The property was first developed for radium-bearing ore, but later the management reported an endeavor to recover several other rare minerals and metals, laboratory tests and analyses made on samples from the property being stated to have revealed the presence of beryllium, tantalum, tungsten, gold and some other rare elements, as well as uranium, the ore of radium. A shaft was sunk 400 feet and three levels established, with nearly 2,000 feet of lateral work. A 100-ton mill building was completed two years ago.

During 1941 the company was reported planning production of feldspar and when closed down was hoisting about 50 tons of rock daily and making a quartz and feldspar concentrate, as well as a bulk concentrate which was supposed to contain certain rare minerals. As to whether the reported minerals exist in sufficient quantities and to what extent they can be extracted on a commercial scale appears yet to be determined.

CANADIAN CAR

Editor, Gold & Dross:

I note that Canadian Car & Foundry Co. is doing much better now, and would be pleased to have your view of the post-war prospect for this company. I have been told that the company should get considerable business from the railways as soon as the war ends. What is its productive capacity in this line?

—*J. F. C., Portage la Prairie, Man.*

I wouldn't care to bet on it. While the railways will presumably be in good shape financially, as the result of large wartime earnings, to buy any rolling stock they need, I see no reason why they should need it in any large amount. Whatever equipment shortages they may have accumulated during the depression years have apparently been made up since; at any rate, they are now handling the biggest traffic in their history and doing it well. Of course, the present stresses and strains will no doubt require the replacement of some equipment. But as to any heavier buying, I would expect to see the railways adopt a wait-and-see attitude until the postwar trend of general

BUSINESS AND MARKET FORECAST

BY HARUSPEX

CYCLICAL, OR ONE TO TWO-YEAR TREND: American common stocks, after remaining in an accumulation area in 1941 and part of 1942, are now in an advancing stage with various technical indications pointing to this advance as being major in character.

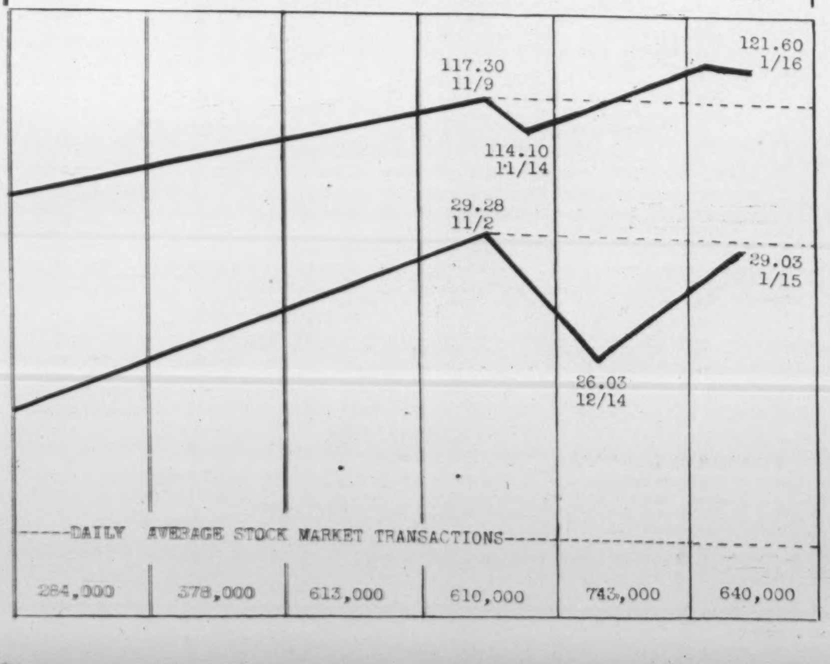
INTERMEDIATE, OR SEVERAL-MONTH TREND: An intermediate upturn developed in the New York stock market from April 28 lows. Evidence is lacking that this intermediate advance has reached a point of culmination, although possibility of technical price correction at this time is not to be overlooked.

LENGTH OF ADVANCE MAKES MARKET VULNERABLE

During the early part of last week the Dow-Jones industrial average crept further into the 120/125 area marked by us some nine months back as a zone of technical resistance. The rails, while gaining new ground for the rally following their December setback, have failed to show equal strength with the leading average. A close in the rails, however, at 30.29 or better would take this average into new high territory for the intermediate move since April. Assuming no distinct weakness in the industrial average meanwhile, such rail strength would reconfirm the intermediate trend as upward and could be the occasion for market fireworks that would have to be viewed with real concern.

Pending any such strength as that mentioned above, we should like again to emphasize the fact that the market, since its reversal to an upward direction in April 1942, has enjoyed a rather sustained move, both in terms of duration and extent. Accordingly, it must be regarded as vulnerable to sharp technical correction on any unexpected news developments. In keeping with this contingency, we have recently recommended that market strength be used for the establishment of cash reserves and will recommend further selling should the advance carry substantially further over the early months of the year.

DOW JONES STOCK AVERAGES



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THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 224

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th January 1943 and that the same will be payable at the Bank and its Branches on and after Monday, 1st February next, to shareholders of record at the close of business on the 31st December 1942. The Transfer Books will not be closed.

By Order of the Board

S. M. WEDD,
General Manager

Toronto, 28th December 1942

The Royal Bank of Canada

DIVIDEND NO. 222

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1943.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 12, 1943.

ALUMINIUM LIMITED

COMMON DIVIDEND

On January 14th, 1943, a quarterly dividend of $2.00 (Canadian funds) per share was declared on the common stock of this company payable March 5th, 1943, to shareholders of record at the close of business February 17th 1943.

14th January 1943

J. A. DULLEA
Secretary

SIMPSONS, LIMITED

Preference Dividend No. 48

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable February 1, 1943 to shareholders of record as at the close of business on January 25, 1943. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary

Toronto, January 15, 1943

CYRIL W. STAIRS of Halifax, who has been appointed a director of The Royal Bank of Canada. He is the fourth generation of the Stairs family to serve as director of the banking institution which has become The Royal Bank of Canada. He is the president of Wm. Stairs Son and Morrow Ltd., Halifax, which was founded by his great-grandfather 133 years ago. He is a director of Consumers Cordage Limited, of the Eastern Trust Company and Moirs Limited.

GEORGE M. KELLAM, recently elected president of Thermos Bottle Co., Limited. He has been managing director of the company for the past 34 years. As president he succeeds R. J. Copeland who will continue on the Board of Directors and act as its chairman.

LEITCH GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 18

NOTICE IS HEREBY GIVEN that a quarterly dividend of two cents per share and an Extra Dividend of one cent per share has been declared by the Directors of this Company, payable in Canadian funds, on February 15th, 1943, to shareholders of record at close of business January 30th, 1943.

By Order of the Board.

W. W. McBRIEN,
Secretary-Treasurer.

January 16th, 1943.

McIntyre Porcupine Mines

LIMITED

(No Personal Liability)

Dividends Nos. 101 and 102

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 15th day of January, 1943, the following dividends were declared payable in Canadian currency:

No. 101 for fifty-five and one-half cents (55½c) per share, payable March 1, 1943, to shareholders of record at the close of business on February 1, 1943.

No. 102 for fifty-five and one-half cents (55½c) per share, payable June 1, 1943, to shareholders of record at the close of business on May 1, 1943.

By Order of the Board.

BALMER NEILLY,
Treasurer.

BOOK SERVICE

All books mentioned in this issue, if not available at your bookseller's, may be purchased through Saturday Night's Book Service. Address "Saturday Night Book Service," 73 Richmond St. W., Toronto, enclosing postal or money order to the amount of the price of the required book or books.

HE'LL BE SICK IF HE GETS IT

business is more or less established.

Canadian Car is now occupied very largely with governmental orders; its normal business is the production of railway requirements, for which it is capable of turning out annually 30,000 freight cars, 700 passenger cars, 85,000 tons of castings and rolling stock parts and 35,000 tons of track fixtures. It also has important secondary lines, including castings for agricultural machinery and automobiles, auto bodies and reinforcing steel for structural use.

COLONIAL STEAMSHIPS

Editor, Gold & Dross:

Can you give me any idea of how Colonial Steamships Ltd. made out in 1942? My own information is that it had a pretty good year. But what would that mean as regards earnings?

—*R. S., Hamilton, Ont.*

I'm sorry, but you're asking too much. I hear that Colonial Steamships' operating earnings in 1942 will compare favorably with those of 1941, but I can't guess the earnings per share. For 1941, you may remember, the company earned $6.73 a share, only slightly below the all-time peak of $6.91 established in 1939 and very substantially above the 1940 figure of $1.44. Had it not been for the huge jump in provision for taxes, from $49,095 in 1939 to $600,000 in 1941, and the establishment of a contingency reserve of $200,000 in the latter year, the 1941 net would have been considerably above that of 1940. An initial dividend of $2 a share was paid in 1942.

Colonial Steamships' vessels carried their share, I understand, of the record volume of freight moving on the Great Lakes during the past season.

TOMAHAWK IRON

Editor, Gold & Dross:

I would greatly appreciate your comments on Tomahawk Iron Mines. Do you consider the stock a good investment?

—*W. E. M., Toronto, Ont.*

An indicated tonnage of about 500,000 tons to the 300-foot horizon in the north orebody, on the Lake Township, Hastings country, property, is reported by Tomahawk Iron Mines, and the orebody is still not completely investigated. Trenching has disclosed an orebody 1,100 feet in length. In addition the north end of the south orebody has indications of a considerable tonnage of excellent grade. Due to the absence of phosphorus and negligible amounts of sulphur and titanium oxide the ore is of high quality.

The company also holds another property in Peterborough county, on which an iron zone approximately 750 feet in length has been opened, and large acreages in the Algoma district. A low-cost operation is expected from open-pit mining, and if the operation is to be one of shipping high-grade direct to the smelter without treatment no mill or concentration plant will be required. Sinking of a shaft will be necessary later, however. The possibilities of producing pig iron in lieu of shipping raw ore is also being investigated. Whether or not the future as a profitable producer is assured depends on the extent of the tonnage and grade which will be proven under development and I regard the shares as decidedly speculative.

NATIONAL BREWERIES

Editor, Gold & Dross:

Please advise if the cut in beer consumption, as ordered by the Government, will necessitate a cut in National Breweries' dividend.

—*V. N. B., Longueuil, Que.*

I don't think that a dividend cut is necessitated, though I can't say what National Breweries will do.

While beer consumption under the recent order will be cut 10% in the year ending October 31, 1943, as compared with the previous 12 months, it would appear from analysis of annual reports of the company that operating profits could drop considerably more than $1,000,000 from the 1941 level before affecting the company's maximum retainable net income under the excess profits tax in 1943. As nearly as such retainable net income (70% of standard profits) can be estimated from the annual reports, it would appear to be around $1.80 to $1.90 a share on the common stock. Although this would be somewhat below the $2 dividend, it may be noted that during the period 1939-1941 the company accumulated close to 60 cents a share of apparent surplus which could be drawn upon for dividends.

In addition to retainable net income, the company could earn a post-war refund of 20% of any profits above 116⅔% of standard profits. On taxable income at the 1941 level, such refund would likely run around 20 cents a share. It may be assumed that profits in the year ended October 31, 1942—the period on which the 10% consumption cut is based—were substantially higher than in 1941, for the industry's sales gained 15% or more in this period. And as an offset to future sales restrictions, operating economies should be possible.

PERRON

Editor, Gold & Dross:

I am interested in Perron Gold Mines and would like to know how seriously the labor shortage has affected production and development, also the ore reserve position at present?

—*H. B. R., Lachine, Que.*

While tonnage, production and profits have been reduced at Perron due to the shortage of labor, the ore position has been maintained despite the inability to carry development ahead as rapidly as desired. A progressive decline was shown in production last year, output being $427,457 for the third quarter as compared with $475,359 in the first quarter. The daily mill tonnage is down around 35 tons from the regular rate but it has been necessary to cut development footage about 20 per cent. In the quarter ending September the manpower situation was reported as becoming critical although recent indications are that gold mining labor may now be more or less stabilized. The company at that time had lost about 45 employees as against the first three months of the year.

Ore reserves are sufficient for a year and a half's milling requirements and it is reported about as much ore is being developed as is being milled. The new levels have offered some encouraging indications in the limited development so far possible. Numerous promising intersections are reported in the area above the 1,000-foot level in new ground and near the old stopes. The lower levels have also shown a number of interesting intersections down to and including the 2,125-foot horizon. The company's cash position is strong and the management is hopeful of continuing the quarterly dividend payment of four cents, although the bonuses of the past are likely to be missing.

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About Insurance

What's Ahead for the Insurance Business?

BY GEORGE GILBERT

While there would seem to be little reason at present to expect any radical departure after the war from existing methods in the administration and conduct of the insurance business in Canada, it must not be overlooked that our postwar course will be influenced to quite an extent by the action taken in other countries, particularly in Great Britain and the United States.

In both these countries there are now under consideration some far-reaching proposals which, if adopted, will have an adverse effect on various branches of insurance. Besides, one of the planks in the British Labor Party's platform is the nationalization of insurance in its entirety, while at Washington there are bureaucrats who favor the Federal Government taking over the administration of life insurance in the Republic.

IT IS evidently the prevailing opinion that the present world conflict will not result in the maintenance or restoration of the prewar status, and that any attempt to turn back the clock in that direction would end in failure or would pave the way for another war or revolution. Accordingly, the question just now is not as to whether there will be a new and improved economic order but as to the manner in which it is to be brought about.

What will be the place in the new order of insurance as a private enterprise? While it is too early to say which, if any, of the blueprints now prepared or in course of preparation under the direction of the British, United States and Canadian Governments for postwar reconstruction in the economic field will be implemented by legislation, it is not too soon for those interested in the free enterprise system to make themselves acquainted with the steps being taken in that direction not only in Canada but also in Britain and the United States, because there is no doubt that any action taken in those countries is bound to have an effect on what is eventually adopted in the Dominion.

Service to Community

Ernest Bevin, British Minister of Labor, is quoted as expressing the following views: "The ultimate justification of any business is the service it renders the community. Business cannot exist without profit and without setting aside a surplus for expansion. Profits, however, must be distributed equitably between investor, manager, worker and consumer, because business belongs not to the shareholder exclusively but to all who helped to create and who help to maintain it. What is wanted is that profit should be reinterpreted in the wider ideal of public service. It is too much to say that business is yet won to this allegiance, but the trend is that way and it is a welcome trend."

It is well known that, in most cases, the trend in insurance as a private enterprise has long been in that direction, as witness the continued expansion of public service activities on the part of practically all branches of the business, and the greater proportion of the profits being distributed among policyholders either by way of refunds or dividends or reductions in premium rates when the underwriting profits over a term of years warrant such a reduction. In the case of life insurance companies, the law requires that at least ninety per cent of the profits on participating policies be returned to the participating policyholders, while some companies return a much higher percentage, and, in the case of the mutual companies, all the profits are returned to the policyholders.

As far as the fire and casualty insurance companies are concerned, the competition for business between tariff and non-tariff, and stock and mutual institutions, has a strong tendency to keep premium rates at a level where no undue profit is possible for any length of time. In addition, the government supervising authorities keep close check on the underwriting results of the companies from year to year as shown by the very complete returns which each company is required to file annually with the government, and when the underwriting profits over a reasonable period show that a reduction in premium rates is in order, they are in a position to take effective action to bring about a suitable reduction.

Thus insurance as a private enterprise is on the whole functioning efficiently and satisfactorily in Canada, and, under strict government supervision and regulation, is furnishing, on a voluntary basis, an indispensable service in providing at reasonable cost sound and safe protection against the hazards, risks, changes and chances of business and life. Although there is, of course, room for improvement in methods of operation and in service to the insuring public, there would seem to be no justification for any radical departure from the existing system, which has proved its value over a lengthy period, or for its replacement by any system of government insurance the value and cost of which to the country would be largely problematical.

Effect of Action Elsewhere

But there is no foretelling what the effect will be on the public in this country or on our legislators of the action taken in other countries, particularly in the United States and Great Britain, to extend the scope of existing social security or social insurance measures to a point where they would seriously affect the future development of insurance as a private enterprise. For instance, it is now proposed in the United States to add accident and sickness and also death benefits to those now provided under the Social Security Act. One of the proposals in the Beveridge Report in Britain is the conversion of the business of industrial insurance into a public service under an Industrial Insurance Board.

Another Beveridge proposal is the supersession (elimination) of the Approved Societies, established by the industrial insurance companies for the administration of the British National Health Insurance Act, and operated by them with remarkable efficiency and at low cost, which was the main reason why the national health insurance scheme was kept in a sound condition while the national unemployment insurance scheme, operated by the Government, drifted into a state of hopeless insolvency and had to be supported by the general taxpayers through enormous grants from the Treasury.

A further Beveridge proposal is the supersession of the present system of workmen's compensation insurance, which has heretofore been carried on by the insurance companies under an agreement which ensured economical operation, and he proposes the inclusion of the provisions for industrial accident or disease within the unified social insurance scheme, subject to a special method of meeting the cost of this provision and special pensions for prolonged disability and special grants to dependents in cases of death due to such causes.

It should not be overlooked, either, that one of the planks in the platform of the British Labor Party has long been the nationalization of the insurance business in its entirety, though so far the idea has not appealed to the common sense of the people of Britain, where no small part of the invisible exports of the country consist of the returns from the world-wide business transacted by the British insurance companies and where their contributions to the national income by way of taxes and in many other respects could ill be spared now or at any other time.

Of course, the idea behind nationalization is that insurance can be more economically administered by the Government than by private companies, although there is little to support that view to be found in the way the Government transacts its own business. Supporters of the nationalization idea are to be found here as well as in other countries, and unless the insurance interests take steps to convince the public that monopolization of insurance business is uneconomical and unsound and outside the proper functions of government of a free people, the question of nationalization may be forced into the domain of practical politics in Canada as well as elsewhere.

Public opinion will decide the issue of nationalization, and public opinion should not be allowed to remain uninformed.

INSURANCE INQUIRIES

Editor, About Insurance:

Please advise on possibilities of Equitable Life Insurance Co. I hold some stock of this company and I am thinking of making a change. What is the market price of this stock?

—M. B. L., Maniwaki, Que.

As the Equitable Life Insurance Company of Canada is in a sound business and financial position and is making steady progress, I would advise holding instead of selling at present quotations which in my opinion do not by any means represent the intrinsic value of the stock. The shares are of the par value of $25 each, with $5 per share paid up, leaving an uncalled liability of $20 per share. The shares are listed on the Toronto Stock Exchange, and the latest quotations show $4.75 bid and $5.75 asked. A dividend of 15 cents a share, or 3 per cent on the paid up value, was paid last year.

At the end of 1941, the latest date for which Government figures are available, the total assets of the company were $13,181,259, while the total liabilities except capital were $12,624,242, showing a surplus as regards policyholders of $557,017. As the paid up capital was $327,155, there was a net surplus over capital, policy reserves and all liabilities—that is, a surplus as regards shareholders—of $229,862. The total income in 1941 was $1,893,728, and the total disbursements, $1,350,992, showing an excess of income over disbursements of $542,736. The insurance in force at the end of 1941 was $38,701,870, under 17,206 policies. The company is well-managed and its continued success in the business is assured.

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Editor, About Insurance:

I would like to know what it costs to obtain a license to act as a fire insurance agent. I understand that the license fee was raised some years ago, and that the charge is lower in some towns and cities than in others. Can you inform me on this point?

—F. C. L., London, Ont.

Since October, 1936, the annual fee for a fire and casualty agent's license has been $25 in a municipality having a population over 50,000; $15 in a municipality having a population of 25,000 and not exceeding 50,000; $10 in a municipality having a population of 10,000 and not exceeding 25,000; and $5 where a licensee carries on business elsewhere in the Province, or where a licensee is expressly limited to accident and sickness only.

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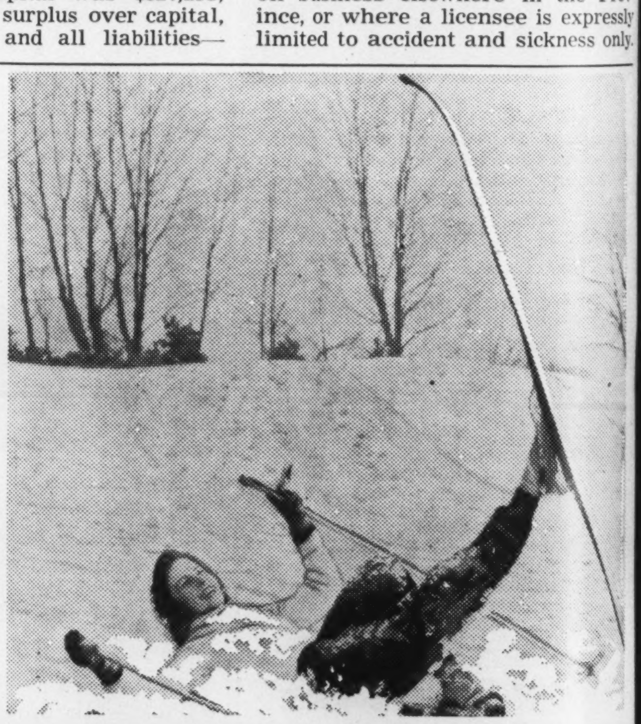

Great Weather for Sports . . .
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Winter-time is accident-time. With ice and snow-packed roads and slippery sidewalks, you never know when you leave home in the morning what misfortune may fall to your lot before night. Or if you are a winter sports enthusiast, you take chances of accidental injury every time you venture into the great outdoors.
So safeguard yourself and your property against accident. And by all means don't overlook your liability too, in cases of accident suffered by other people while on *your* property. Ask your Union of Canton agent for protection against the innumerable hazards of wintertime.
UNION *Insurance Society* OF CANTON LIMITED
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Colin E. Sword, Manager for Canada.

News of the Mines

BY J. A. McRAE

IN THE field of mines and metals the War Production Board has disclosed some impressive information. Iron itself is pictured as the backbone, as it were, and with various other metals making up the frame or skeleton on which is built the horse of war.

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The supply of copper in the United States was increased in 1942 to nearly 3,000,000 tons. This was greater than the entire known world output in 1939. Despite this achievement, more of the red metal is badly needed.

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The W.P.B. states that the nickel requirements for 1943 will be five times as great as that of 1938, the year preceding the outbreak of war. Expansion in Canada is forging ahead by leaps and bounds, but demand for nickel is taking greater leaps than expansion. That is why civilian needs must go unheeded.

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Bauxite ore for aluminum production in the United States will be available to meet full requirements in that country by the middle of this year. Before the end of this year the resources of bauxite in the United States will be adequate also for Canada's demands. The combined goal is 3,000,000,000 lbs. a year.

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Steel, the backbone of the warhorse, is available in greater volume in America than any other place on earth. Despite this, however, the back is sagging seriously. The peak of production has been pretty well reached. Ingenuity must provide the answer to any further expansion, or the equivalent to expansion, that may be attained. It is because of this that the anxious eyes of scores of millions of men and women are turned at this time to the labor strikes in Canada which have called a halt to two-thirds of the steel production of the Dominion. The government of Canada did provide a Board of investigation. That Board registered a decision through a majority report. The C.I.O. refused to accept the decision of the majority. Instead, the labor union seeks adoption of the minority report. Many who read and wonder, may be excused if they ask: "Where democracy?"

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Macassa Mines at Kirkland Lake is operating with 60 per cent of normal working force. The rate of mill operations has been reduced to around 300 tons per day, compared with 425 tons daily before shortage of labor developed.

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Chesterville Larder Lake Gold Mines reflects the difficulties in the path of low grade gold mines under conditions which now exist. Grade of ore is down from $5.67 a ton two years ago to $4.76 last year. This may be attributed in part to inability to carry on the desired amount of advance development. Also, costs are rising, showing $3.08 in 1941 and $3.21 in 1942, and with the closing period of 1942 showing costs up to $3.29 per ton.

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East Malartic Mines, Ltd., one of the rising new gold producers in Quebec is coming under more complete control of Howey Gold Mines and associates. Howey Gold Mines, the pioneer enterprise of the Red Lake district, accumulated considerable surplus profit before exhausting its own ore reserves. This surplus was employed to assist East Malartic on the road to production, and paved the way to the present strong position of Howey in the East Malartic Mine.

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Moneta Porcupine Mines produced $686,086 in the nine months ended Dec. 31. This compared with $894,540 in the corresponding period of the preceding year. Profits in 1941 averaged about 1½ cents per share per month. This compared with about one cent per share per month in 1942.

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Central Patricia Gold Mines produced more gold during the third quarter of 1942 than in any other quarter of the year. Output for the final three months was $468,828. This was secured from 34,672 tons of ore, for an average of $13.52 per ton. This compared with an average recovery of little more than $12 per ton in the first nine months of the year.

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Waite-Amulet is completing the installation of added equipment designed to raise the plant capacity to over 1,900 tons of ore daily. The operation is handling close to 1,700 tons per day at present and is expected to have the new addition in full operation in February.

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The proposed new extradition treaty between Canada and the United States is under close scrutiny in the Dominion. Many voices of warning are rising up accordingly as closer study proceeds. The implication is that promoters, brokers, company executives, and financiers in general in Canadian industry would become exposed to serious menace under the terms of the measure. The inference is given that the financiers and builders of industry in this country could be extradited to any one of the states of the American union to answer charges of infringement of laws of which they might possess no knowledge whatsoever. The proposed treaty promises to be brought more fully to public attention when it comes up for ratification by the Canadian parliament. There is a growing suspicion in business circles throughout Canada that the document should be used for wrapping paper with which to parcel up some of the other eggs so recently laid at Washington.

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Lake Shore Mines is beginning to derive benefit from the considerable length of ore which dipped onto the property at depth from one of the adjacent producers. This further fortifies the large ore reserves of the Lake Shore mine.

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The Royal Bank of Canada 74th Annual Meeting

Morris W. Wilson, President and Managing Director, urges post war planning on basis of free enterprise—Only system likely to appeal to self-reliant young Canadians.

Sydney G. Dobson, Vice - President and General Manager, reports assets over $1,291,000,000.—Liquid position exceedingly strong — War adds heavily to routine duties of banks.

The intent and ability of the free enterprise system to meet the challenge of the post war world was the keynote of an address by Morris W. Wilson, President and Managing Director of The Royal Bank of Canada at the bank's 74th Annual Meeting.

"Assuming intelligent co-operation on the part of government," said Mr. Wilson, "free enterprise, which has already provided for the people who live under it the greatest degree of comfort and security in the world's history, can meet the challenge of the post-war world. It can, by accepting further social responsibility, save the people from the evils that accompany state control — obliteration of private life, destruction of personal freedom, elimination of individual incentive, and the extinction of those extra gains which fairly go to those who work specially hard.

"Free enterprise, with its wealth of experience, established position, and wide resources, is the only system known to us under which the job can be done. The prophet who now foretells that our whole system will be swept away in favour of some economic heaven and earth as yet unformed, is not only misguided but dangerous. He is dangerous because his preachings interfere with confident concentration on the war effort, and they are menacing to the practical solution of the problems of peace.

"Changes must take account of realities rather than theories. When this war is won, the soldier will wish to get back to his everyday life; the farmer will still want to own his farm; the small house-owner will desire to retain his ownership; the retailer, the wholesaler, and the manufacturer will be found as anxious as ever to carry on their own branches of our free enterprise; and the three million thrifty holders of their country's bonds will still look for, and be entitled to, their interest earnings.

"The idea of profit, which is merely payment for work and initiative, is deep-rooted in human nature, and after the war it will still motivate individuals and corporate bodies. In progressive countries, development is constant. As to sudden, revolutionary change which would uproot the economic system, upset the mode of life and disperse the savings, investments and insurance of the people of this nation, I think the proposition needs only to be stated to reveal its folly. At the same time, it is dangerous to allow its propaganda to go on unanswered."

BENEFITS OF FREE ENTERPRISE

Mr. Wilson said he did not ridicule the views of anyone upon the sole ground that he was a socialist or demagogue.

"The weakness however, of those who theorize about post-war economy" he said "often lies in their lack of practical experience of business and their disregard of the widespread, undeniable diffusion of the benefits of free enterprise in the form of rising standards of living. This experience and these facts are readily available. Business should assemble and analyze them, and present to the public their irresistible conclusions, showing the true intent and ability of the system of free enterprise to do the things that need to be done. That is the only real way to carry the judgment of the people.

"There are plenty of hard-headed people in Canada who, for instance, have money in the bank; there are more than five million deposit accounts, totalling more than $3,300 million. Your bank alone has substantially over one million deposit accounts. There are more than three million Canadians holding their country's Victory Bonds, War Savings Certificates or other government obligations. There are more than four million individual holders of life insurance policies in Canada. These are the people who, alert to their own well-being, will tell the theorists and agitators what changes are acceptable in the mode of life which, with all the faults it may possess, has produced these savings and these bulwarks of personal and family security. These are the people who must be considered by those who seek to influence the course of events."

Mr. Wilson readily acknowledged that the system of free enterprise—in fact the whole economic system and our institutions of free Government, were the results of evolution and expressed the conviction, that some of the changes which had been brought about by the war would remain. "There must and will be development, particularly in the realm of maximum employment and freedom from want. The ordinary people of the world will look to some agency at the war's close to avert mass unemployment. No pretentious plans for pensions, nor all the social security measures devised by Governments will be effective without a solution of the employment problem," he said.

COLLECTION OF TAXES

Referring to the present method of collecting personal income taxes, Mr. Wilson expressed the opinion that the present eight months' lag in payments created a most serious difficulty so far as the individual taxpayer was concerned and could not be in the best interests of the country. He pointed out that at present the taxpayer was always eight months in arrears in his payments and that this extra tax liability could, under certain circumstances, become a very serious burden. He felt that a cancellation of taxes for the eight months involved would not necessarily result in any diminution of revenue to the State. It would only become necessary to retain the higher scale of taxation for a somewhat longer period, and at all times the Government would then be collecting its taxes from current earnings and not on earnings of the preceding year. Mr. Wilson hoped that the Government would respond favourably to the many representations that were being made to it on this subject.

GENERAL MANAGER'S ADDRESS

In presenting the financial statement, Mr. Sydney G. Dobson, Vice-President and General Manager noted that the present high tempo of business activity due to war was clearly reflected in the bank's balance sheet and that under a number of headings record levels had been attained. Despite steady expansion in the bank's business, profits had been reduced, due in part to relatively low yields on the bank's heavy investments in government bonds and to increased taxes.

Because of the decrease in net income, the bank had found it necessary to reduce the dividend rate of 8% to 6%. In this connection Mr. Dobson noted that during the past 12 years bank shareholders had had their dividends reduced more drastically than those in most other lines of business and that on the basis of today's dividend, the return is only 3.27% on the average cost of the shares to the public over a period of years.

"Total assets are now $1,291,615,946, an all-time high in the history of the bank and an increase during the year of $216,496,185," said Mr. Dobson. "Our liquid position is naturally very strong, total liquid assets of $906,440,239 representing 75.44% of our total liability to the public."

Mr. Dobson also noted that deposits totalling $1,181,217,192 had increased by over $225,000,000. Of the total $929,039,940 were in Canada.

COMMERCIAL LOANS

"Commercial Loans in Canada expanded during the year $13,365,555, and are now $255,148,401. Included in this amount are temporary loans of $42,971,183 to assist purchasers of Victory Bonds. As there was but a small total of such loans current at the end of the previous year, it will be seen that ordinary commercial loans are considerably lower as compared with a year ago. Considering the tremendous expansion in business activity throughout Canada, the situation is anomalous, but the explanation is that the expansion is largely in connection with war work. This is either financed directly by the Government, or, because of prompt settlement for monthly or fortnightly accounts, the manufacturer is able to finance without any, or at any rate with very moderate, assistance. There has never been a period in the history of this bank—and I may say a similar situation applies to the other banks—when the ratio of commercial loans to deposits has been so low. The outlook in this respect is not encouraging, as unfortunately the tendency seems to be for the Government to extend its policy of directly financing industry engaged in war work."

The General Manager reported that, in conformity with the government's wish to conserve manpower, the bank had closed 39 offices. This, he said, did not mean lessening of business for the bank but rather a consolidation. It did, however, represent an inconvenience to some of the bank's customers but he felt that they would appreciate that the exigencies of war necessitated such steps.

MANY OF STAFF IN UNIFORM

"During the war period our staff in Canada has increased from 5,165 to 6,049, the new members being almost all young women. Our male staff is now reduced to 38 per cent. of the total and it is not uncommon to find that at a branch with 15 to 20 employees there are only 4 or 5 men. I cannot speak too highly of the manner in which these new members of our staff, many without any previous business experience, have carried on their duties, often under difficult conditions. Routine work has increased as a result of war activity. The handling of Victory Loan applications and the negotiation of coupons alone entail a great deal of additional work and the volume of cheques in circulation has grown considerably. Many of the young women recently engaged are called upon to assume responsibilities which under normal conditions would be performed by experienced men. This means that the senior officers, in addition to looking after their own duties, must devote much time to supervision and training.

"We are proud of the contribution made by our staff to the armed services. Since the outbreak of war we have granted leave of absence for military service to 1,876 men. Of this number, 1,792 enlisted from Canadian branches, and this is equivalent to well over half of the male staff under 45 years of age at the outbreak of war. I am sure I am voicing the feeling of the shareholders when I say that we wish a safe return to these men who are serving their country so patriotically.

"Unhappily there have been casualties. Thirty-four of our young men, whose names are recorded in the printed proceedings of this meeting, have given their lives in the service of Canada. These names are held in honour, and we pay tribute to their memory."

German War Industry's Weaknesses Are Great

BY G. C. STEWART

Many important war factories in Germany are working part-time, simply because the necessary raw materials do not exist. Germany's production program was upset by the failure to receive large supplies from Russia, and by the tying down of manpower on that front. The manpower situation is now critical. Also Germany counted on a short war, and because of this failed to allow for replacements of machinery and plant. On top of these, there is the tremendous damage done by the R.A.F.

London.

NAZI Germany never expected that the war would be long. Her masters have received, even from their enemies, grudging admiration for the way in which they have planned the integration of nearly all Europe's industrial resources so as to achieve a single vast machine. But these plans had their roots, not in military but in post-war ambitions.

The idea was that Germany would conquer Europe without much delay, and would immediately set about making the Continent not merely a military fortress but also a self-dependent economic unity. Dr. Clodius stated the principle clearly when he said that the European Continent "must make itself so economically independent that no power outside Europe could entertain the idea of conquering Europe by a blockade." Dr. Funk has said the same thing. "Europe will concentrate on achieving the greatest possible measure of autarky and the mobilization of all European powers of production."

As the war dragged on Germany was able to introduce the basic ideas of her post-war planning for an integrated Europe, but one fundamental was left out. Instead of being able to rely on oversea supplies until such time as the water-tight Continent could emerge, she had to found the self-contained Europe before Europe was able to dispense with the raw materials of other countries, and at a time when there was in fact a very effective blockade. It is reported on the best authority that there are many important war factories in Germany working part-time, not because of the destruction by the R.A.F., not because of labor shortage, but simply because the raw materials do not exist to carry on production.

This is one reason why the German economy has become so brittle. Not Goering nor Todt, Speer nor Clodius, not Funk, nor Hitler himself, has been able to devise a scheme wherein the fluidity of the demands of war could be matched by an elasticity in the productive apparatus. They borrowed a leaf or two out of their hopeful book of the future, and the pages have not fitted too well into their black book of the present.

There is much evidence to show how the essentially unimaginative organization of the German and dependent industrial machines has aggravated the problems of the war. Speer drew up a wonderful plan for an entire section of German controlled industry to be allocated to production for the defeat of the Russians. Here, thought the Germans, the difficulty about working the post-war program in wartime would be overcome, for they expected great booty from Russia and, more important still, the release of hundreds of thousands of soldiers from the Eastern armies when the U.S.S.R. was crushed.

How completely have the tables been turned. The Russian war has hit German manpower more than all the other fronts put together, and Speer's dream has been blown away together with the plans for great German industries within Russian territory. In their desperation the Nazis have called on their satellites, Italy, Rumania, Hungary and the others for every worker available, and the French riots have shown the extent of the demands made on that long-suffering country. German women have been taught that slaving in a Nazi arms factory carries an honor as great as that conferred by the delivery of illegitimate children fathered by Nazi soldiery on leave.

But not all the cruel genius of Germany can do has prevented the manpower spectre from stalking the land. Now it begins to dominate the war picture.

The great European industrial plan has failed in other directions, too. Germany was perhaps right in supposing that if she won the war she would not lack iron, coal and steel wherewith to feed her Continental machine. But she lacks them now. She has put prisoners of war in her mines and she has starved the factories working for other countries, but she is actually getting less coal than last year, and no more than in 1940. The vast Goering works, which was to be the last word in high-quality steel manufacture, is having to devote a large proportion of its capacity to turning out the pig iron which was to have reached it from other sources.

Nor is the prospect any better, for the scorched earth policy of the Russians and the scorched air policy of the R.A.F. have broken, firstly, German hopes of big ore recovery from the Ukraine and other conquered territories, and, secondly, their hopes of producing planes and guns and tanks in their final factories.

No Time for Repairs

The factories have another wound. Since Germany thought the war would be short and because she had to superimpose her post-war industrial plans on to a present war effort, she has found that the very keystone of consistent production was lacking. She imagined that after the war there would be, even before the great peace drive, an interval in which her industrial economy could receive repairs. But she did not allow even for the necessity to make those running repairs which a war of, say, two years would demand.

Her industry requires a Joseph's coat of improvisation, and it is ill-equipped for this sort of enterprise because the "dehumanisation" of it has largely annulled the initiative of individual factories. Replacement of machinery and plant is altogether too inadequate, and has, indeed, become the chief complaint of the German industrialist.

German ingenuity has done everything possible. It simplified and standardized machinery and there is a large floating population of engineers engaged solely on repair work. But the problem is becoming too deep for them. Industry is becoming tired, depending to an extent which is not generally realized in this country on old-type and worn machinery.

On top of these things, of course, there is the tremendous effect of the raids by the R.A.F.

To visualize how great is the disruption caused it is necessary to view German industry as a structure built before its time on unsteady foundations and integrated more in the sense that a blow in one place shakes the whole edifice rather than in the sense that from a central organisation remedial measures can quickly be brought to the relief of an affected part. When the United States claims that its war production is greater than that of the Axis group taken as a whole it does not exaggerate.

This is the true picture of German war industry today.

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